



Stock Code: 4906

Gemtek Technology Co., Ltd.

2022 Annual Shareholders' Meeting Handbook

Date: June 09, 2022 (Physical meeting)

Place: Chung Hwa Park Recreation Center Conference Room
(located at No.79, Ln. 1, Dazhi Rd., Hukou Township, Hsinchu
County, Taiwan R.O.C.)

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Gemtek Technology Co., Ltd.

Procedures for the 2022 Annual Meeting of Shareholders

I Call the Meeting to Order

II Chairperson Takes Chair

III Chairperson Remarks

IV Management Presentation (Company Reports)

V Proposals

VI Discussion

VII Election Matters

VIII Other Matters

IX Extemporaneous Motions

X Adjournment

Gemtek Technology Co., Ltd.

2022 Agenda of Annual Shareholders' Meeting

Time: 9:00 a.m. on Thursday, June 09, 2022

Place: Chung Hwa Park Recreation Center Conference Room

(located at No.79, Ln. 1, Dazhi Rd., Hukou Township, Hsinchu County, Taiwan R.O.C.)

I. Call the Meeting to Order.

II. Chairperson Remarks

III. Management Presentations/ Report Items

- a. To report the business of 2021
- b. Audit Committee's review report
- c. To report 2021 employees' compensation and remuneration of board of directors.
- d. To report on convertible bonds.
- e. To report on the drafting of Sustainable Development Best Practice Principles
- f. To report on the implementation of Share Buyback Program.

IV. Proposed Resolutions

- a. To ratify 2021 Business Report and Financial Statements
- b. To ratify proposal for distribution of 2021 earnings

V. Discussion Items

- a. To amend Articles of Incorporation
- b. To amend Procedures for Acquisition and Disposal of Assets
- c. To discuss issuance of common shares by raising capital through private placement.

VI. Election Matters

- a. The 11th election of the board of directors (including independent directors)

VII. Other Matters

- a. To discuss matters on waiving the non-compete agreement for newly appointed directors

VIII. Extemporaneous Motion

IX. Adjournment

I. Management Presentations - Reports on Company Affairs

Report No. 1

2021 Business Reports

Explanation:

The 2021 Business Report is attached as Attachment A.

Resolution:

Report No. 2

Audit Committee's Review Report on the 2021 Financial Statements

Explanation:

The 2021 Audit Committee's Review Report is attached as Attachment B.

Resolution:

Report No. 3

To report 2021 employees' compensation and remuneration of board of directors.

Explanation

- (1) According to the Articles of Incorporation Article 20, the Company shall, after deducting the employee bonuses and remuneration benefits of directors from the current year's pre-tax benefits, allocate 13.5% for employee profit sharing bonuses and 1.8% for the remuneration benefits of directors.
- (2) The 2021 distribution of employee bonuses and remuneration benefits of directors was approved by the Company's Remuneration Committee. The Company shall allocate NT\$112,689,232 to employee profit sharing bonuses; and NT\$15,025,231 to the remuneration benefits of directors, all of which, are issued in cash.
- (3) There are no significant differences between the estimation and exact amount of employee profit sharing bonuses and remuneration benefits of directors paid for the year 2021.

Resolution:

Report No. 4

To report on convertible bonds.

Explanation

The report on convertible bonds is attached in Attachment E.

Resolution:

Report No. 5

To report on the drafting of Sustainable Development Best Practice Principles

Explanation

The report on the drafting of Sustainable Development Best Practice Principles is attached in Attachment F.

Resolution:

Report No. 6

To report on the implementation of Share Buyback Program

Explanation

To report on the implementation of Share Buyback Program is attached in Attachment G.

Resolution:

II. Proposed Resolutions

Proposal No. 1

Proposed by the Board

Ratification of the 2021 Business Report and Financial Statements.

Explanation:

- (1) The 2021 Financial Statements of Gemtek Technology Co., Ltd., including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows were audited by independent auditors of Deloitte and Touche Taiwan. The 2021 Business Report and 2021 Financial Statements have been approved by the Board and inspected by the Audit Committee of Gemtek Technology Co., Ltd.
- (2) The 2021 Business Report, Independent Auditors' Review Report, and the above-mentioned Financial Statements are attached in Attachment [A&C].

Resolution:

Proposal No. 2

Proposed by the Board

Ratification of the proposal for distribution of 2021 profits.

Explanation:

- (1) The Board has adopted the Proposal for Distribution of 2021 Profits in accordance with the Company Act and Articles of Incorporation.
- (2) The proposed aggregate amount of cash dividends is NT\$607,738,466; each common shareholder shall be entitled to receive a cash dividend of NT\$1.5 per share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. Cash dividends shall be distributed only to the minimal extent of the smallest integer. Any fractional amounts rendered below NT\$1 shall be transferred to the Employee Benefits Committee.
- (3) In the event that the proposed profit distribution plan is affected by the buyback of the Company's common stock, transfer, conversion or cancellation of the treasury shares, the exercise of the employee stock options or the conversion of convertible bonds, it is proposed that the Board of Directors be fully authorized by the Shareholder's Meeting to adjust the dividend ratio and handle relevant matters accordingly.
- (4) 2021 Profit Distribution Table is attached in Attachment [D]

Resolution:

III. Discussion Items

Proposal No. 1

Proposed by the Board

To amend the Articles of Incorporation.

Explanation:

- (1) In accordance with the provisions of Company Act Article 172-2, paragraph 1, it is proposed to revise provisions pertaining to the rules and procedures for convening shareholders' meetings described in the company's "Articles of Incorporation "
- (2) Amendments to the Articles of Incorporation and a comparison table is attached in Attachment [H]

Resolution:

Proposal No. 2

Proposed by the Board

To amend the Procedures for Acquisition and Disposal of Assets.

Explanation:

- (1) Revised in accordance with the Financial Supervisory Commission's Letter Financial-Supervisory-Securities-Corporate-Issue No. 1110380465 as of January 28, 2022.
- (2) Amendments to the Procedures for Acquisition and Disposal of Assets and a comparison table is attached in Attachment [I]

Resolution:

Proposal No. 3

Proposed by the Board

To discuss issuance of common shares by raising capital through private placement.

Explanation:

- (1) The private placement is to strengthen the company's financial structure and facilitate future business development, such as the expansion of production capacity, supplementation of business funds, payment of loans, and engagement of strategic investors. The number of shares or bonds privately placed shall not exceed 40,000 thousand shares (inclusive). The private placement shall be conducted twice within one year after the date of resolution.
- (2) Pricing basis of private placement and its reasonableness:
 - (I) The private placement price of the Company shall be no less than 80% of the higher of the following two calculation basis prior to the price determination date:
 - a. The simple average closing price of the common shares of the company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - (II) On the basis that the actual pricing date and the actual private placement price is not lower than 80% of the higher price based on the aforementioned calculation approach, the board of directors shall be authorized by the shareholders meeting to determine the price after weighing the effects of specific persons and market conditions.

(III) The pricing method of the private placement complies with the relevant regulations of the competent authority, and has taken the company's future prospects and stock market price into consideration, and therefore is deemed reasonable.

(3) The method and objectives for selecting the private placement investor, the necessity for the selection, and the anticipated benefits:

(I) The private placement is conducted according to Securities and Exchange Act Article 43-6, and is limited to strategic investors.

(II) Method and objectives for selecting the private placement investor, the necessity for the selection, and the anticipated benefits: To strengthen relationships with strategic partners. To enhance the Company's competitiveness, improve operational efficiency and facilitate long-term business development. To secure shareholders' rights and interests.

(III) There are no selected investors at the moment.

(4) The necessity for conducting the private placement

(I) Reasons for conducting non-public offering:

Taking the following into consideration, the company plans to issue new shares through private placement to raise capital instead of public offering: capital market conditions, cost of issuance, the timeliness and feasibility of private placement, and restrictions regarding private equity shares not being able to transfer freely within three years. As a result, the company concludes that conducting a private placement is more likely to help ensure and strengthen closer relationships with strategic partners.

(II) Use of the funds raised by the private placement, and the anticipated benefits:

The private placement shall be conducted twice within one year after the date of resolution. Anticipated number of closings, purpose, and the anticipated benefits are described as follows:

| Anticipated Number of Closings | Private Placement of Common Shares (10,000shares) | Purpose | Anticipated Benefits |
|--|--|---|---|
| 1 | 2,000 | Expansion of production capacity, supplementation of business funds, and payment of loans to meet the capital needs of the company's business development | Strengthen the company’s financial structure and facilitate future business development |
| 2 | 2,000 | | |
| If there are to be multiple closings, the unfulfilled commitments made by investors at the current closing may be passed on to the subsequent closing. If commitments made by investors for the current closing exceeds the customary closing conditions, the issuer may opt to issue all common shares at once, or take up a part of the units from the subsequent closing. | | | |

(5) Rights and obligations of these new shares privately placed:

The rights and obligations of private placement of new stocks are the same as the common stocks issued by the Company. According to Article 43-8 of the Exchange Act, private placements are not subject to the transfer objects and conditions stipulated in this article. Ordinary shares shall not be freely transferable within three years from the date of delivery. Subsequent to three years from the delivery date, the company intends to obtain a consent letter approved by the Taiwan Stock Exchange that meets the listing standards in accordance with the Securities and Exchange Act and other relevant regulations, and then report to the competent authority for the supplementary public offering of private ordinary shares and application for listing and trading.

- (6) Due to the actual issuance conditions, plans, use of funds, possible benefits, and other unsettled matters, if there is any correction by competent authorities or due to objective changes of the environment, the Board of Directors will be authorized by the Shareholders' Meeting to handle such matters depending on the market status and in accordance with the laws.
- (7) The specific investor shall be a strategic investor who is able to directly or indirectly promote the Company's business. The Chairman of the Board shall be authorized to process the selection in full power. It is expected that the private placement will not result in any major changes in the Company's operation.
- (8) The Company's private placement of securities shall be conducted in accordance with the provisions of Article 43-6 of the Securities and Exchange Act. For more information, please refer to the Market Observation Post System for more details (Website: <https://mops.twse.com.tw/>).

Resolution:

IV. Election Matters

Proposal No. 1

Proposed by the Board

The 11th election of the board of directors (including independent directors).

Explanation:

- (1) The term of office for the current members of the Board of Directors expires on June 17, 2022. Accordingly, the company proposes to duly elect new board members which consists of 9 director seats and 3 independent director seats at this year's Annual Shareholder's Meeting.
- (2) The term of office for the newly elected members of the Board of Directors shall start from June 09, 2022 and conclude on June 08, 2025. The tenure of the board is set for three years; members may be eligible for re-election. Former members of the board shall cease to hold office immediately after the re-election results are finalized.
- (3) The election of the Board of Directors is subject to the provisions of Article 192-1 of the Company Act where the candidate nomination system shall be adopted, that such system shall be expressly stated in the Article 13 of the Articles of Incorporation of the company, and that shareholders shall elect directors from among the those listed in the slate of director candidates approved by the Board of Directors as of April 14, 2022. Please refer to Attachment [J]

Voting Results:

V. Other Matters

Proposal No. 1

Proposed by the Board

To discuss matters on waiving the non-compete agreement for newly appointed directors

Explanation:

- (1) Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) In order to promote innovation and allow directors to share their professional experience and knowledge for a broader business development, it is proposed that the non-compete clause for newly appointed directors should be removed.
- (3) For more information on non-compete agreement for directors and independent directors, please refer to Attachment [K]

Resolution:

VI. Extemporary Motion

VII. Adjournment

Gemtek Technology Co., Ltd.

2021 Business Report

(Translation)

I. Foreword

2021 had been a year full of challenges and opportunities for Gemtek as the COVID-19 pandemic continues to take the world by storm. At the same time, political instability and economic fluctuation triggered by the 2021 US presidential election and the ongoing struggle between US-China Trade War had also sparked structural changes in the industry. As a result of the pandemic, the goal to coexist with the virus has prompted people to develop innovative lifestyles to cope with the crisis, and more enterprises are forced to rethink business operation through digital transformation and remote office solutions. Amid dramatic changes around the globe, Gemtek continuously sought avenues for optimization and improvement, and has inevitably achieved new heights in the field of research and development.

In 2021, wireless communications technology had continued to evolve as 5G infrastructure plans gradually accelerates. Ericsson had forecasted that the number of 5G subscriptions worldwide will surpass 4G to reach 1 billion by 2 years less of time. In addition, the deployment of fiber-optic broadband has also been listed as a priority by many governments. Low-orbit satellites and infrastructure projects are also in the pipeline. The integration of heterogeneous networks will continue to improve the quality and speed of future network communications. As a network communication technology company, Gemtek currently develops and manufactures products under three main technical frameworks-----Wi-Fi, Optical Fiber, and Wireless Network Broadband. Gemtek strives to broaden its market share in the European and American markets, and is doing well in maintaining gross profit and product quality while expanding business operations overseas.

Global supply chain disruption persisted throughout the year 2021, resulting in a whirlwind of unbalanced supply and demand. Due to mounting COVID-19 cases in the first half of the year, factories had to cease production which upended the entire industrial ecosystem. The Pandemic-stricken supply chain has caused the demand for terminal equipment to surge tremendously, giving rise to severe electronic component shortages around the world. In the face of the widespread crisis, Gemtek had made efforts to

optimize its procurement strategies to brace itself for more future turmoil. The use of exclusive components shall be taken into careful deliberation during the pivotal phases of product design as a means to mitigate the risk of material shortages that may adversely affect the company and its customers.

The 2021 Ericsson Mobility Report stated that mobile data traffic alone will increase by 300 times within 10 years, which goes to show that the internet is undoubtedly considered a rigid demand for consumers and enterprises. And according to Aruba's forecast, growing demands for IoT devices and machine-to-machine (M2M) communication driven by digital transformation continues to soar. Looking to 2022, Gemtek is eager to scale up its production capability to meet the high demands for advanced network communication solutions in the market, and is looking forward to investing more resources in R&D and product design. Being one of the leaders in the network communications industry, Gemtek's R&D team always stands at the forefront of the technology trend, serving as the backbone of our business operations to fulfill the expectations of our customers and shareholders.

II. 2021 Business Report

1. Business Results

In 2021, the total consolidated operating income was NT\$22,912,691 thousand. The combined operating costs and operating expenses was NT\$22,556,598 thousand. The consolidated non-operating income was NT\$398,163 thousand. The consolidated non-operating expenses was NT\$30,803 thousand. The pre-tax net profit was NT\$723,453 thousand; income tax expense was NT\$41,869 thousand. Therefore, the consolidated net profit after tax for this year is NT\$681,584 thousand. Earnings per share (after tax) is NT\$1.89.

2. Financial Status and Profitability

The Company has always adhered to the conservatism principle in its financial operations, laying out timely plans for the use of long and short-term funds. In 2021, the current ratio was 149.06% and the debt ratio was 41.06%, indicating that the composition of the company's financial structure was adequately sound and stable.

3. Research and Development

2021 R&D Achievements

- (1) Next-generation passive optical network/ ultra-wideband network and voice service integration systems
GPON/XGSPON /10GEPON/DPoE/NGPON2 product development.
- (2) xDSL /G.FAST Ultra-wideband product development.
- (3) Whole home WiFi with Easy Mesh development
- (4) Advanced WiFi 6/6e AP, Repeater, and Mesh development
- (5) Cost-effective and Advanced LTE client device development, including Cat 20, Cat 12, Cat6, Cat4, UER
- (6) 3GPP based CIOT client device and LGA module development (Cat 4, Cat 1, Cat-M1, NB-IOT)
- (7) 5G NR FR1/FR2 CPE development
- (8) mmwave smart antenna phasearray system platform development
- (9) Tern smart mesh WiFi 6/6e system development
- (10) 5G mmwave repeater system platform development
- (11) 5G smallcell and core network platform development
- (12) Low earth orbit satellite smart antenna CPE system research and development

III. 2021 Business Policies

1. Marketing Strategy

- (1) Strengthen existing customer relationships and develop new customers.
- (2) Launch new products according to market trends with new technical specifications.
- (3) Identify market demands and strengthen the ability to collect market information.
- (4) Satisfy market demands and expand business operations in emerging markets.
- (5) Build good rapport with new clients and seek new business opportunities.

2. Production Policy

- (1) Strictly control the production process and increase the utilization rate of production capacity.
- (2) Strictly select suppliers that meet cost effectiveness and integrate resources to pursue profitability.
- (3) Track the lead time and quality of key manufacturing components. Keenly identify changes in supply, demand and prices.
- (4) Adjust capital expenditures based on the condition of the industry.
- (5) Introduce automated and optimized production systems to increase production efficiency.

3. Industrial Development

Gemtek has long been dedicated to the development of wireless communications technology. Business development is centered on the following major operations:

- (1) Wireless network service products, which include broadband network related equipments that are built on top of telecommunications infrastructures (5G related technologies, LTE Small Cell, CPE), telecommunication network products (Wi-Fi AP/Router) and business-grade wireless AP/routers and Wi-Fi modules etc.
- (2) Fixed Broadband Network connection related products, which includes telecommunication integration (VoIP, VDSL, G.fast, GPON, Setup Box etc.) and fiber-optic network products.
- (3) Telecommunication modules and services.
- (4) Cloud software integration services, IoT products.

IV. Conclusion

The company's management team wishes to express their deepest gratitude to all shareholders for their unwavering support. We hope that our shareholders will continue to

provide us with encouragement and guidance in the forthcoming years.

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

Gemtek Technology Co., Ltd.
2021 Audit Committee's Review Report
(Translation)

To Shareholders of Gemtek Technology Co., Ltd.,

The Board of Directors is responsible for the issuance of the Company's 2021 Business Reports and Financial Statements.

The CPA firm of Deloitte & Touche was appointed to audit Gemtek's Financial Statements and has issued an audit report with reference to the Financial Statements. The Business Report and Financial Statements have been reviewed and confirmed to be correct and accurate by the Audit Committee members of Gemtek Technology Co., Ltd. Based on the applicable laws of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Gemtek Technology Co., Ltd.

Chairman of the Audit Committee: Zhu-san Wang

Date: March 17, 2022

Auditor's Review Report

(Translation)

To Gemtek Technology Co., Ltd.,

Opinion

We have audited the accompanying individual financial statements of Gemtek Technologies Co., Ltd. (the "Company"), which comprise the individual balance sheets as of December 31, 2021 and 2020, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the individual financial statements, including a summary of significant accounting policies (collectively referred to as the "individual financial statements").

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the Company as of December 31, 2021 and 2020, and its individual financial performance and its individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Individual Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We hereby summarize the Key Audit Matters of the 2021 Individual Financial Statements of the Company as follows:

Revenue Recognition

The 2021 operating income of Gemtek Technology Co., Ltd. is NT\$20,562,652 thousand, in which NT\$5,247,644 thousand sales revenue is attributed to the sale of a major customer product,

accounting for 26% of the operating income. Due to the fact that the sales revenue makes up a consequential part of the operating income in contrast to the year 2020, the operating income for the sale to the specific customer product is listed as a Key Audit Matter. For related accounting policies pertaining to revenue recognition, please refer to Note 4 and 21.

Main Audit Procedures conducted by the CPA are as follows:

1. Assess the quality of composition and implementation of the Company's Internal Control Policy that are related to sales income conjointly with the Company's Sales Revenue Recognition Policy.
2. Conduct inspections on selected materials acquired from income reports that are related to sales transactions and receivables, etc. to verify whether the origins of the operating income are documented truthfully.
3. Verify whether the customer has received any substantial sales return or discounts after the transaction.

Additional Matters:

As of December 31, 2021 and 2020, in relation to investee companies that have adopted the equity method for investments, due to the differences in the respective financial reporting structures, the audit engagement for the financial statements of Gemtek Vietnam Co., Ltd. was performed by a separate CPA firm other than us. The financial statements of Gemtek Vietnam Co., Ltd. was audited by a designated CPA in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Therefore, our opinion for the financial statements of Gemtek Vietnam Co., Ltd. derives from the audit report given by its designated CPA where the equity method had been applied to investments and recognized comprehensive income. The total amount of investments by investee companies that have adopted the equity method as of December 31, 2021 and 2020 was NT\$579,584 thousand and NT\$514,927 thousand respectively, accounting for 3% and 3% of the total assets of the individual. The recognized comprehensive income of investments by investee companies as of December 31, 2021 and 2020 was NT\$79,878 thousand and NT\$53,960 thousand respectively, accounting for 3% and 5% of the total comprehensive income of the individual.

Duties and Responsibilities of Management and Corporate Governance

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 individual 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 individual 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 individual 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 individual financial statements, including the disclosures, and whether the individual 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 entities or business activities within the Company to express an opinion on the individual 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 individual financial statements for the year ended December 31, 2021 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.

Deloitte & Touche Taiwan
Certified Public Accountant
Ching-zen Yang

Deloitte & Touche Taiwan
Certified Public Accountant
Jing-ting Gung

Securities and Futures Commission
Approved Document Number:
6-0920123784

Securities and Futures Commission
Approved Document Number:
6-0930128050

Date: March 17, 2022

GEMTEK TECHNOLOGY CO., LTD.
Parent Company Only Balance Sheets
December 31,2021and 2020
(Expressed in thousands of New Taiwan Dollars)

| ASSETS | | December 31,2021 | | December 31,2020 | |
|-------------------------------------|---|----------------------|------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| CURRENT ASSETS | | | | | |
| 1100 | Cash and cash equivalents (note 4 and 6) | \$ 306,549 | 2 | \$ 855,028 | 5 |
| 1110 | Financial assets at fair value through profit or loss - current (note 4 and 7) | 125,886 | 1 | 120,971 | 1 |
| 1160 | Notes receivable from related parties , net (note 4 、 21 and 31) | - | - | 11,250 | - |
| 1170 | Accounts receivable, net (note 4 、 10 and 21) | 5,443,505 | 29 | 5,468,334 | 32 |
| 1180 | Accounts receivable from related parties (note 4 、 21 and 31) | 1,045,699 | 6 | 1,327,557 | 8 |
| 1200 | Other receivables | 44,455 | - | 66,284 | - |
| 1210 | Other receivables from related parties (note 4 and 31) | 13,342 | - | 9,516 | - |
| 1220 | Current tax assets (note 4 and 23) | - | - | 1,236 | - |
| 130X | Inventories (note 4 and 11) | 601,047 | 3 | 787,994 | 4 |
| 1470 | Other current assets (note 4 and 15) | 98,586 | - | 121,574 | 1 |
| 11XX | Total current assets | <u>7,679,069</u> | <u>41</u> | <u>8,769,744</u> | <u>51</u> |
| NON-CURRENT ASSETS | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (note 4 and 8) | 171,508 | 1 | 206,283 | 1 |
| 1535 | Financial assets at amortized cost - non-current (note 4 、 9 and 32) | 20,000 | - | 40,000 | - |
| 1550 | Investments accounted for using the equity method(note 4 and 12) | 9,036,521 | 49 | 6,823,820 | 39 |
| 1600 | Property, plant and equipment (note 4 、 13 and 31) | 1,457,078 | 8 | 1,321,057 | 8 |
| 1755 | Right-of-use assets (note 4 and 14) | 13,873 | - | 7,705 | - |
| 1840 | Deferred tax assets (note 4 and 23) | 45,910 | - | 37,713 | - |
| 1990 | Other non-current assets (note 4 、 15 and 19) | 151,780 | 1 | 127,235 | 1 |
| 15XX | Total non-current assets | <u>10,896,670</u> | <u>59</u> | <u>8,563,813</u> | <u>49</u> |
| 1XXX | Total assets | <u>\$ 18,575,739</u> | <u>100</u> | <u>\$ 17,333,557</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| 2100 | Short-term borrowings (note 16) | \$ 2,108,520 | 11 | \$ 1,082,240 | 6 |
| 2120 | Financial liabilities at fair value through profit or loss - current (note 4 and 7) | - | - | 7,278 | - |
| 2130 | Contract liabilities - current (note 4 and 21) | 155,147 | 1 | 191,941 | 1 |
| 2170 | Accounts payable | 1,081,326 | 6 | 1,714,603 | 10 |
| 2180 | Accounts payable to related parties (note 31) | 1,909,016 | 10 | 2,975,357 | 17 |
| 2219 | Other payables (note 18 and 31) | 452,864 | 3 | 474,098 | 3 |
| 2230 | Current tax liabilities (note 4 and 23) | 21,071 | - | 51,830 | - |
| 2280 | Current lease liabilities (note 4 and 14) | 5,425 | - | 2,746 | - |
| 2321 | Current portion of bonds payable (note 17) | 857,842 | 5 | 1,179,157 | 7 |
| 2399 | Other current liabilities (note 18) | 77,575 | - | 56,499 | 1 |
| 21XX | Total current liabilities | <u>6,668,786</u> | <u>36</u> | <u>7,735,749</u> | <u>45</u> |
| NON-CURRENT LIABILITIES | | | | | |
| 2580 | Non-current lease liabilities (note 4 and 14) | 8,053 | - | 4,161 | - |
| 2570 | Deferred tax liabilities (note 4 and 23) | 208,258 | 1 | 208,820 | 1 |
| 2670 | Other non-current liabilities (note 18) | 815 | - | 824 | - |
| 25XX | Total non-current liabilities | <u>217,126</u> | <u>1</u> | <u>213,805</u> | <u>1</u> |
| 2XXX | Total liabilities | <u>6,885,912</u> | <u>37</u> | <u>7,949,554</u> | <u>46</u> |
| EQUITY (note 4 、 17and 20) | | | | | |
| Share capital | | | | | |
| 3110 | Ordinary shares | 3,661,188 | 20 | 3,575,905 | 21 |
| 3140 | Capital collected in advanced | 44,798 | - | - | - |
| 3200 | Capital surplus | 4,441,626 | 24 | 4,606,007 | 26 |
| Retained earnings | | | | | |
| 3310 | Legal reserve | 878,269 | 4 | 750,939 | 4 |
| 3320 | Special reserve | 1,305,902 | 7 | 559,574 | 3 |
| 3350 | Unappropriated earnings | 696,971 | 4 | 1,273,304 | 8 |
| 3300 | Total retained earnings | 2,881,142 | 15 | 2,583,817 | 15 |
| 3490 | Other equity | 661,073 | 4 | (1,381,726) | (8) |
| 3XXX | Total equity | <u>11,689,827</u> | <u>63</u> | <u>9,384,003</u> | <u>54</u> |
| Total liabilities and equity | | <u>\$ 18,575,739</u> | <u>100</u> | <u>\$ 17,333,557</u> | <u>100</u> |

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

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD.

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

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

| 代 碼 | | 2021 | | 2020 | |
|------|--|----------------------|--------------|----------------------|--------------|
| | | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue (note 4、21 and 31) | \$ 20,562,652 | 100 | \$ 16,484,007 | 100 |
| 5000 | Operating costs (note 11、19、22 and 31) | (19,038,109) | (93) | (14,915,008) | (91) |
| 5900 | Gross profit | <u>1,524,543</u> | <u>7</u> | <u>1,568,999</u> | <u>9</u> |
| | Operating expenses (note 19、22 and 31) | | | | |
| 6100 | Selling expenses | (343,402) | (2) | (305,084) | (2) |
| 6200 | General and administrative expenses | (277,481) | (1) | (267,323) | (1) |
| 6300 | Research and development expenses | (720,649) | (3) | (765,731) | (5) |
| 6450 | Expected credit losses reversed on receivables | <u>48</u> | <u>-</u> | <u>47</u> | <u>-</u> |
| 6000 | Total operating expenses | (<u>1,341,484</u>) | (<u>6</u>) | (<u>1,338,091</u>) | (<u>8</u>) |
| 6900 | Profit from operations | <u>183,059</u> | <u>1</u> | <u>230,908</u> | <u>1</u> |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income (note 22) | 2,416 | - | 5,720 | - |
| 7010 | Other income (note 22 and 31) | 28,975 | - | 77,870 | 1 |
| 7020 | Other gains and losses (note 22 and 31) | 50,764 | - | 840,986 | 5 |
| 7050 | Finance costs (note 22) | (30,586) | - | (30,356) | - |
| 7070 | Share of profit of subsidiaries and associates (note 4 and 12) | <u>472,392</u> | <u>2</u> | <u>334,512</u> | <u>2</u> |
| 7000 | Total non-operating income and expenses | <u>523,961</u> | <u>2</u> | <u>1,228,732</u> | <u>8</u> |

(Continued)

(Brought Forward)

| | | 2021 | | 2020 | |
|---------------------------------------|---|---------------------|-----------|---------------------|--------------|
| | | AMOUNT | % | AMOUNT | % |
| 7900 | Profit before income tax | \$ 707,020 | 3 | \$ 1,459,640 | 9 |
| 7950 | Income tax (note 4 and 23) | (<u>27,227</u>) | - | (<u>89,485</u>) | (<u>1</u>) |
| 8200 | Net profit for the period | <u>679,793</u> | <u>3</u> | <u>1,370,155</u> | <u>8</u> |
| Other comprehensive income /(loss) | | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | |
| 8311 | Remeasurement of defined benefit plans (note 19) | (3,527) | - | (1,928) | - |
| 8316 | Unrealized loss on investments in equity instruments at fair value through other comprehensive income | (29,987) | - | (143,312) | (1) |
| 8330 | Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method | 2,068,586 | 10 | (16,531) | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences on translation of the financial statements of foreign operations | (63,871) | - | (21,747) | - |
| 8370 | Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method | (<u>3,032</u>) | - | (<u>32</u>) | - |
| 8300 | Other comprehensive income/(loss) | <u>1,968,169</u> | <u>10</u> | (<u>183,550</u>) | (<u>1</u>) |
| 8500 | Total comprehensive income | <u>\$ 2,647,962</u> | <u>13</u> | <u>\$ 1,186,605</u> | <u>7</u> |
| Earnings per share (note 24) | | | | | |
| 9750 | Basic earnings per share | <u>\$ 1.89</u> | | <u>\$ 3.86</u> | |
| 9850 | Diluted earnings per share | <u>\$ 1.69</u> | | <u>\$ 3.36</u> | |

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

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan Dollars)

| | | Share Capital (note 17 and 20) | | | Capital Surplus (note 4、17 and 20) | Retained Earnings (note 20) | | | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Other Equity (note 4 and 20) | | Total | Treasury Shares | Total Equity |
|-----|--|--------------------------------|--------------|------------------------------------|---------------------------------------|-----------------------------|-----------------|-------------------------|---|--|------------------------------------|------------------|-----------------|--------------|
| | | Shares (in thousands) | Common Stock | Advance Receipts for Share Capital | | Legal Reserve | Special Reserve | Unappropriated Earnings | | Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value | Through Other Comprehensive Income | | | |
| A1 | BALANCE AT JANUARY 1, 2020 | 356,884 | \$ 3,568,835 | \$ - | \$ 4,761,281 | \$ 730,820 | \$ 375,960 | \$ 203,733 | (\$ 497,082) | (\$ 726,028) | \$ - | (\$ 1,223,110) | \$ - | \$ 8,417,519 |
| B1 | Appropriation of 2019 earnings | | | | | | | | | | | | | |
| B3 | Legal reserve | - | - | - | - | 20,119 | - | (20,119) | - | - | - | - | - | - |
| B3 | Special reserve | - | - | - | - | - | 183,614 | (183,614) | - | - | - | - | - | - |
| C15 | Total | - | - | - | - | 20,119 | 183,614 | (203,733) | - | - | - | - | - | - |
| C15 | Cash distribution from capital surplus | - | - | - | (177,911) | - | - | - | - | - | - | - | - | (177,911) |
| D1 | Net profit for the year ended December 31, 2020 | - | - | - | - | - | - | 1,370,155 | - | - | - | - | - | 1,370,155 |
| D3 | Other comprehensive loss for the year ended December 31, 2020 | - | - | - | - | - | - | (1,855) | (21,779) | (159,916) | - | (181,695) | - | (183,550) |
| D5 | Total comprehensive income/(loss) for the year ended December 31, 2020 | - | - | - | - | - | - | 1,368,300 | (21,779) | (159,916) | - | (181,695) | - | 1,186,605 |
| L1 | Buy-back of ordinary shares | - | - | - | - | - | - | - | - | - | - | - | (68,767) | (68,767) |
| L3 | Cancellation of treasury shares | (3,293) | (32,930) | - | (35,837) | - | - | - | - | - | - | - | 68,767 | - |
| M3 | Disposals of subsidiaries | - | - | - | - | - | - | (4,636) | 3,908 | 4,636 | - | 8,544 | - | 3,908 |
| N1 | Issuance of restricted share plan for employees | | | | | | | | | | | | | |
| T1 | Share-based payment expenses | 4,000 | 40,000 | - | 58,474 | - | - | - | - | - | (98,474) | (98,474) | - | - |
| Q1 | Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | (90,360) | - | 90,360 | - | 90,360 | - | - |
| Z1 | BALANCE AT DECEMBER 31, 2020 | 357,591 | 3,575,905 | - | 4,606,007 | 750,939 | 559,574 | 1,273,304 | (514,953) | (790,948) | (75,825) | (1,381,726) | - | 9,384,003 |
| B1 | Appropriation of 2020 earnings | | | | | | | | | | | | | |
| B3 | Legal reserve | - | - | - | - | 127,330 | - | (127,330) | - | - | - | - | - | - |
| B5 | Special reserve | - | - | - | - | - | 746,328 | (746,328) | - | - | - | - | - | - |
| B5 | Cash dividends to shareholders | - | - | - | - | - | - | (357,666) | - | - | - | - | - | (357,666) |
| C15 | Total | - | - | - | - | 127,330 | 746,328 | (1,231,324) | - | - | - | - | - | (357,666) |
| C15 | Cash distribution from capital surplus | - | - | - | (357,666) | - | - | - | - | - | - | - | - | (357,666) |
| D1 | Net profit for the year ended December 31, 2021 | - | - | - | - | - | - | 679,793 | - | - | - | - | - | 679,793 |
| D3 | Other comprehensive income/(loss) for the year ended December 31, 2021 | - | - | - | - | - | - | (3,463) | (66,903) | 2,038,535 | - | 1,971,632 | - | 1,968,169 |
| D5 | Total comprehensive income/(loss) for the year ended December 31, 2021 | - | - | - | - | - | - | 676,330 | (66,903) | 2,038,535 | - | 1,971,632 | - | 2,647,962 |
| I1 | Convertible bonds converted to ordinary shares | 8,712 | 87,123 | 44,798 | 204,666 | - | - | - | - | - | - | - | - | 336,587 |
| N1 | Cancellation of restricted share plan for employees | (184) | (1,840) | - | (2,690) | - | - | - | - | - | 4,530 | 4,530 | - | - |

| | | | | | | | | | | | | | | |
|----|--|---------|--------------|-----------|--------------|------------|--------------|------------|----------------|--------------|---------------|------------|------|---------------|
| M3 | Disposals of subsidiaries | - | - | - | (8,691) | - | - | - | - | - | - | - | - | (8,691) |
| Q1 | Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | (21,339) | - | 21,339 | - | 21,339 | - | - |
| T1 | Share-based payment expenses | - | - | - | - | - | - | - | - | - | 45,298 | 45,298 | - | 45,298 |
| Z1 | BALANCE AT DECEMBER 31, 2021 | 366,119 | \$ 3,661,188 | \$ 44,798 | \$ 4,441,626 | \$ 878,269 | \$ 1,305,902 | \$ 696,971 | (\$ 581,856) | \$ 1,268,926 | (\$ 25,997) | \$ 661,073 | \$ - | \$ 11,689,827 |

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

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

| | | 2021 | 2020 |
|--------|--|---------------|---------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| A00010 | Income before income tax | \$ 707,020 | \$ 1,459,640 |
| A20010 | Adjustments for: | | |
| A20100 | Depreciation expense | 105,137 | 85,173 |
| A20200 | Amortization expense | 52,287 | 51,308 |
| A20300 | Expected credit losses reversed on receivables | (48) | (47) |
| A20400 | Net (gain)/loss on fair value changes of financial [assets/liabilities] at fair value through profit or loss | (29,958) | 9,201 |
| A20900 | Finance costs | 30,586 | 30,356 |
| A21200 | Interest income | (2,416) | (5,720) |
| A21300 | Dividend income | (4,491) | (4,491) |
| A21900 | Share-based payment expenses | 45,298 | 22,649 |
| A22400 | Share of profit of subsidiaries and associates | (472,392) | (334,512) |
| A22500 | Gain on disposal of property, plant and equipment | (83) | (113) |
| A23100 | Disposal in subsidiaries and associates accounted for using the equity method | (105,631) | - |
| A23200 | Gain on disposal of subsidiaries | - | (833,061) |
| A23800 | (Reversal of) write-down of inventories | 6,434 | (3,121) |
| A24100 | Net (gain)/loss on foreign currency exchange | 31,686 | (2,772) |
| A30000 | Changes in operating assets and liabilities | | |
| A31115 | financial assets at fair value through profit or loss | 17,696 | (17,967) |
| A31130 | Notes receivable | - | 43,346 |
| A31140 | Notes receivable from related parties | 11,250 | (11,250) |
| A31150 | Accounts receivable | (32,716) | (2,191,180) |
| A31160 | Accounts receivable from related parties | 272,547 | (1,317,036) |
| A31180 | Other receivables | 18,007 | (34,706) |
| A31200 | Inventories | 180,513 | (129,152) |
| A31240 | Other current assets | 22,730 | (22,350) |
| A31990 | Prepaid pension | (2,143) | (2,246) |
| A32125 | Contract liabilities | (28,096) | (14,743) |
| A32130 | Notes payable | - | (21,345) |
| A32150 | Accounts payable | (626,683) | 1,388,758 |
| A32160 | Accounts payable to related parties | (1,053,977) | 208,585 |

(Continued)

(Brought Forward)

| | | 2021 | 2020 |
|--------------------------------------|---|--------------------|----------------------|
| A32180 | Other payables | (\$ 21,371) | \$ 187,965 |
| A32230 | Other current liabilities | <u>24,559</u> | <u>27,603</u> |
| A33000 | Cash used in operations | (854,255) | (1,431,228) |
| A33100 | Interest received | 2,412 | 5,972 |
| A33200 | Dividends received | 4,491 | 4,491 |
| A33300 | Interest paid | (14,966) | (13,437) |
| A33500 | Income tax paid | (<u>65,509</u>) | (<u>8,443</u>) |
| AAAA | Net cash used in operating activities | (<u>927,827</u>) | (<u>1,442,645</u>) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| B00010 | Purchase of financial assets at fair value through other comprehensive income | (3,592) | (22,953) |
| B00020 | Proceeds from sale of financial assets at fair value through other comprehensive income | 8,380 | 7 |
| B00040 | Purchase of financial assets at amortized cost | - | (20,000) |
| B00050 | Proceeds from disposal of financial assets at amortised cost | 20,000 | - |
| B01800 | Acquisition of investments accounted for using the equity method | (153,000) | - |
| B02400 | Capital reduction in subsidiary and refund to shareholders | 300,000 | - |
| B02700 | Payments for property, plant and equipment | (243,271) | (278,072) |
| B02300 | Net cash inflow on disposal of subsidiary | - | 830,760 |
| B02800 | Proceeds from disposal of property, plant and equipment | 5,674 | 6,381 |
| B03700 | Decrease (Increase) in refundable deposits | (2,198) | 737 |
| B05350 | Payments for right-of-use assets | - | (943) |
| B06700 | Increase in other non-current assets | (76,018) | (65,526) |
| B07600 | Dividends received from subsidiaries | <u>211,314</u> | <u>151,422</u> |
| BBBB | Net cash generated from investing activities | <u>67,289</u> | <u>601,813</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| C00100 | Increase short-term borrowings | 1,030,475 | 786,370 |
| C04020 | Repayment of the principal portion of lease liabilities | (3,075) | (3,216) |
| C04300 | Increase (Decrease) in other non-current liabilities | (9) | 795 |
| C04500 | Cash dividends paid | (715,332) | (177,911) |
| C04900 | Payments for buy-back of ordinary shares | <u>-</u> | (<u>68,767</u>) |
| CCCC | Net cash generated from financing activities | <u>312,059</u> | <u>537,271</u> |
| EEEE | NET DECREASE IN CASH AND CASH EQUIVALENTS | (548,479) | (303,561) |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>855,028</u> | <u>1,158,589</u> |
| E00200 | CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 306,549</u> | <u>\$ 855,028</u> |

The accompanying notes are an integral part of the parent company only financial statements.
Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

Auditor's Review Report

(Translation)

To Gemtek Technology Co., Ltd.,

Opinion

We have audited the accompanying consolidated financial statements of Gemtek Technologies Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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, 2021 and 2020, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2021. 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.

We hereby summarize the Key Audit Matters of the 2021 Consolidated Financial Statements of the Group as follows:

Revenue Recognition

The 2021 operating income of Gemtek Technology Co., Ltd. and its subsidiaries is NT\$22,912,691 thousand, in which NT\$5,247,644 thousand sales revenue is attributed to the sale of a major customer product, accounting for 23% of the operating income. Due to the fact that the sales revenue makes up a consequential part of the operating income in contrast to the year 2020, the operating income for the sale to the specific customer product is listed as a Key Audit Matter. For related accounting policies pertaining to revenue recognition, please refer to Note 4 and 22.

Main Audit Procedures conducted by the CPA are as follows:

1. Assess the quality of composition and implementation of the Company's Internal Control Policy that are related to sales income conjointly with the Company's Sales Revenue Recognition Policy.
2. Conduct inspections on selected materials acquired from income reports that are related to sales transactions and receivables, etc. to verify whether the origins of the operating income are documented truthfully.
3. Verify whether the customer has received any substantial sales return or discounts after the transaction.

Additional Matters:

The financial statements of Gemtek Vietnam Co., Ltd. for the years ended December 31, 2021 and 2020 have been incorporated in the consolidated financial statements of Gemtek Technologies Co., Ltd. and its subsidiaries. Due to the differences in the respective financial reporting structures, the audit engagement for the financial statements of Gemtek Vietnam Co.,

Ltd. was performed by a separate CPA firm other than us. The financial statements of Gemtek Vietnam Co., Ltd. was audited by the appointed CPA in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Therefore, when issuing our opinions for the consolidated financial statements, the opinions for the financial statements of Gemtek Vietnam Co., Ltd. is based on the audit report given by the appointed CPA. The total asset of Gemtek Vietnam Co., Ltd. as of December 31, 2021 and 2020 were NT\$2,091,260 thousand and NT\$2,232,563 thousand respectively, accounting for 10% and 12% of the total consolidated assets. The net operating income from January 1 to December 31, 2021 and 2020 were NT\$1,104 thousand and NT\$70 thousand respectively, accounting for 0% and 0% of the consolidated net operating income.

We have audited the individual financial statements of Gemtek Technologies Co., Ltd. as of and for the years December 31, 2021 and 2020 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2021 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.

Deloitte & Touche Taiwan
Certified Public Accountant
Ching-zen Yang

Deloitte & Touche Taiwan
Certified Public Accountant
Jing-ting Gung

Securities and Futures Commission
Approved Document Number:
6-0920123784

Securities and Futures Commission
Approved Document Number:
6-0930128050

Date: March 17, 2022

GEMTEK TECHNOLOGY CO., LTD.
Parent Company and Subsidiaries Balance Sheets
December 31, 2021 and 2020
(Expressed in thousands of New Taiwan Dollars)

| code | ASSETS | December 31,2021 | | December 31,2020 | |
|------|---|----------------------|------------|----------------------|--------------|
| | | AMOUNT | % | AMOUNT | % |
| | CURRENT ASSETS | | | | |
| 1100 | Cash and cash equivalents (note 4 and 6) | \$ 1,275,808 | 6 | \$ 1,925,250 | 10 |
| 1110 | Financial assets at fair value through profit or loss - current (note 4 and 7) | 142,860 | 1 | 160,308 | 1 |
| 1136 | Financial assets at amortized cost – current (note 4, 9 and 33) | 137,291 | 1 | 3,274 | - |
| 1160 | Notes receivable from related parties , net (note 32) | - | - | 11,250 | - |
| 1170 | Accounts receivable, net (note 4 、 10 and 22) | 6,157,358 | 30 | 5,888,372 | 32 |
| 1180 | Accounts receivable from related parties (note 4 、 22 and 32) | 201,980 | 1 | 112,537 | 1 |
| 1200 | Other receivables (note 4 、 32) | 113,617 | 1 | 65,196 | - |
| 1220 | Current tax assets (note 4 and 24) | 324 | - | 1,236 | - |
| 130X | Inventories (note 4 and 11) | 3,748,983 | 18 | 4,189,305 | 22 |
| 1470 | Other current assets (note 4 and 16) | <u>231,273</u> | <u>1</u> | <u>316,917</u> | <u>2</u> |
| 11XX | Total current assets | <u>12,009,494</u> | <u>59</u> | <u>12,673,645</u> | <u>68</u> |
| | NON-CURRENT ASSETS | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (note 4 and 8) | 2,823,493 | 14 | 925,288 | 5 |
| 1535 | Financial assets at amortized cost - non-current (note 4 、 9 and 33) | 20,000 | - | 172,652 | 1 |
| 1550 | Investments accounted for using the equity method (note 4 ,12 and 13) | 1,109,983 | 6 | 1,111,163 | 6 |
| 1600 | Property, plant and equipment (note 4 and 14) | 3,471,538 | 17 | 3,325,158 | 18 |
| 1755 | Right-of-use assets (note 4 and 15) | 137,653 | 1 | 111,160 | 1 |
| 1805 | Goodwill (note 4 and 27) | 265,224 | 1 | 72,845 | - |
| 1821 | Other intangible assets | 83,817 | 1 | 6,918 | - |
| 1840 | Deferred tax assets (note 4 and 24) | 48,005 | - | 40,841 | - |
| 1990 | Other non-current assets (note 4 、 16 and 20) | <u>247,823</u> | <u>1</u> | <u>216,706</u> | <u>1</u> |
| 15XX | Total non-current assets | <u>8,207,536</u> | <u>41</u> | <u>5,982,731</u> | <u>32</u> |
| 1XXX | Total assets | <u>\$ 20,217,030</u> | <u>100</u> | <u>\$ 18,656,376</u> | <u>100</u> |
| code | LIABILITIES AND EQUITY | | | | |
| | CURRENT LIABILITIES | | | | |
| 2100 | Short-term borrowings (note 17) | \$ 2,108,520 | 10 | \$ 1,082,240 | 6 |
| 2120 | Financial liabilities at fair value through profit or loss - current (note 4 and 7) | - | - | 7,278 | - |
| 2130 | Contract liabilities - current (note 4 and 22) | 307,167 | 2 | 218,433 | 1 |
| 2170 | Accounts payable | 3,944,962 | 20 | 5,697,231 | 31 |
| 2180 | Accounts payable to related parties (note 32) | 5,667 | - | 304 | - |
| 2219 | Other payables (note 19 and 32) | 713,200 | 4 | 713,758 | 4 |
| 2230 | Current tax liabilities (note 4 and 24) | 25,910 | - | 80,331 | 1 |
| 2280 | Current lease liabilities (note 4 and 15) | 14,918 | - | 3,012 | - |
| 2321 | Current portion of bonds payable (note 18) | 857,842 | 4 | 1,179,157 | 6 |
| 2399 | Other current liabilities (note 19) | <u>78,522</u> | <u>-</u> | <u>61,869</u> | <u>-</u> |
| 21XX | Total current liabilities | <u>8,056,708</u> | <u>40</u> | <u>9,043,613</u> | <u>49</u> |
| | NON-CURRENT LIABILITIES | | | | |
| 2570 | Deferred tax liabilities (note 4 and 24) | 218,933 | 1 | 222,621 | 1 |
| 2580 | Non-current lease liabilities (note 4 and 15) | 24,102 | - | 4,528 | - |
| 2670 | Other non-current liabilities (note 19) | <u>1,466</u> | <u>-</u> | <u>1,479</u> | <u>-</u> |
| 25XX | Total non-current liabilities | <u>244,501</u> | <u>1</u> | <u>228,628</u> | <u>1</u> |
| 2XXX | Total liabilities | <u>8,301,209</u> | <u>41</u> | <u>9,272,241</u> | <u>50</u> |
| | EQUITY (note 4 、 18 、 21 and 26) | | | | |
| | Share capital | | | | |
| 3110 | Ordinary shares | <u>3,661,188</u> | <u>18</u> | <u>3,575,905</u> | <u>19</u> |
| 3140 | Capital collected in advance | <u>44,798</u> | <u>1</u> | <u>-</u> | <u>-</u> |
| 3200 | Capital surplus | <u>4,441,626</u> | <u>22</u> | <u>4,606,007</u> | <u>25</u> |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 878,269 | 4 | 750,939 | 4 |
| 3320 | Special reserve | 1,305,902 | 7 | 559,574 | 3 |
| 3350 | Unappropriated earnings | <u>696,971</u> | <u>3</u> | <u>1,273,304</u> | <u>7</u> |
| 3300 | Total retained earnings | <u>2,881,142</u> | <u>14</u> | <u>2,583,817</u> | <u>14</u> |
| 3490 | Other equity | <u>661,073</u> | <u>3</u> | <u>(1,381,726)</u> | <u>(8)</u> |
| 31XX | Total equity attributable to owners of parent | 11,689,827 | 58 | 9,384,003 | 50 |
| 36XX | Non-controlling interests (note 21) | <u>225,994</u> | <u>1</u> | <u>132</u> | <u>-</u> |
| 3XXX | Total equity | <u>11,915,821</u> | <u>59</u> | <u>9,384,135</u> | <u>50</u> |
| | Total liabilities and equity | <u>\$ 20,217,030</u> | <u>100</u> | <u>\$ 18,656,376</u> | <u>100</u> |

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

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD.

Parent Company and Subsidiaries Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

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

| c o d e | | 2021 | | 2020 | |
|---------|---|----------------------|--------------|----------------------|--------------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (note 4 、 22 and 32) | \$ 22,912,691 | 100 | \$ 19,929,372 | 100 |
| 5000 | Operating costs (note 11 、 20 、 23 and 32) | (20,852,099) | (91) | (17,663,796) | (89) |
| 5900 | Gross profit | <u>2,060,592</u> | <u>9</u> | <u>2,265,576</u> | <u>11</u> |
| | Operating expenses (note 20 、 23 and 32) | | | | |
| 6100 | Selling expenses | (401,480) | (2) | (389,400) | (2) |
| 6200 | General and administrative expenses | (549,607) | (3) | (533,312) | (3) |
| 6300 | Research and development expenses | (753,460) | (3) | (874,998) | (4) |
| 6450 | Expected credit losses reversed on receivables | <u>48</u> | <u>-</u> | <u>47</u> | <u>-</u> |
| 6000 | Total operating expenses | (<u>1,704,499</u>) | (<u>8</u>) | (<u>1,797,663</u>) | (<u>9</u>) |
| 6900 | Profit from operations | <u>356,093</u> | <u>1</u> | <u>467,913</u> | <u>2</u> |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income (note 23) | 21,290 | - | 27,033 | - |
| 7010 | Other income (note 23 and 32) | 65,953 | - | 117,205 | 1 |
| 7020 | Other gains and losses (note 23 、 28 and 32) | 129,803 | 1 | 960,490 | 5 |
| 7050 | Finance costs (note 23) | (30,803) | - | (30,843) | - |
| 7060 | Share of profit of subsidiaries and associates (note 4 and 13) | <u>181,117</u> | <u>1</u> | <u>31,374</u> | <u>-</u> |
| 7000 | Total non-operating income and expenses | <u>367,360</u> | <u>2</u> | <u>1,105,259</u> | <u>6</u> |
| 7900 | Profit before income tax | 723,453 | 3 | 1,573,172 | 8 |
| 7950 | Income tax (note 4 and 24) | (<u>41,869</u>) | <u>-</u> | (<u>165,598</u>) | (<u>1</u>) |
| 8200 | Net profit for the period | <u>681,584</u> | <u>3</u> | <u>1,407,574</u> | <u>7</u> |

(Continued)

(Brought forward)

| c o d e | 2021 | | 2020 | |
|---------|--|----|--------------|-------|
| | Amount | % | Amount | % |
| | Other comprehensive income / (loss) | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | |
| 8311 | Remeasurement of defined benefit plans (note 20) | | | |
| | (\$ 3,527) | - | (\$ 1,928) | - |
| 8316 | Unrealized loss on investments in equity instruments at fair value through other comprehensive income | | | |
| | 2,038,535 | 9 | (160,503) | (1) |
| 8330 | Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method | | | |
| | 64 | - | 73 | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | |
| 8361 | Exchange differences on translation of the financial statements of foreign operations | | | |
| | (63,871) | - | (21,747) | - |
| 8370 | Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method | | | |
| | (3,032) | - | (85) | - |
| 8300 | Other comprehensive income/(loss) | | | |
| | 1,968,169 | 9 | (184,190) | (1) |
| 8500 | Total comprehensive income | | | |
| | \$ 2,649,753 | 12 | \$ 1,223,384 | 6 |
| | Profit, attributable to: | | | |
| 8610 | Profit, attributable to owners of parent | | | |
| | \$ 679,793 | 3 | \$ 1,370,155 | 7 |
| 8620 | Profit, attributable to non-controlling interests | | | |
| | 1,791 | - | 37,419 | - |
| 8600 | | | | |
| | \$ 681,584 | 3 | \$ 1,407,574 | 7 |
| | Profit, attributable to: | | | |
| 8710 | Comprehensive income, attributable to owners of parent | | | |
| | \$ 2,647,962 | 12 | \$ 1,186,605 | 6 |
| 8720 | Comprehensive income, attributable to non-controlling interests | | | |
| | 1,791 | - | 36,779 | - |
| 8700 | | | | |
| | \$ 2,649,753 | 12 | \$ 1,223,384 | 6 |
| | Earnings per share (note 25) | | | |
| 9750 | Basic earnings per share | | | |
| | \$ 1.89 | | \$ 3.86 | |

| | | | |
|------|-------------------------------|----------------|----------------|
| 9850 | Diluted earnings per share | \$ <u>1.69</u> | \$ <u>3.36</u> |
|------|-------------------------------|----------------|----------------|

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

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan Dollars)

[illegible]

| | | | | | | | | | | | | | | | |
|----|--|----------------|---------------------|------------------|---------------------|-------------------|---------------------|-------------------|----------------|---------------------|---------------|-------------------|-------------|-------------------|----------------------|
| M3 | Disposals of subsidiaries | - | - | - | (8,691) | - | - | - | - | - | - | - | - | - | (8,691) |
| N1 | Cancellation of restricted share plan for employees | (184) | (1,840) | - | (2,690) | - | - | - | - | - | 4,530 | 4,530 | - | - | - |
| O1 | Changes of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | 224,071 | 224,071 |
| Q1 | Disposal of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | (21,339) | - | 21,339 | - | 21,339 | - | - | - |
| T1 | Share-based payment expenses | - | - | - | - | - | - | - | - | - | 45,298 | 45,298 | - | - | 45,298 |
| Z1 | BALANCE AT DECEMBER 31, 2021 | <u>366,119</u> | <u>\$ 3,661,188</u> | <u>\$ 44,798</u> | <u>\$ 4,441,626</u> | <u>\$ 878,269</u> | <u>\$ 1,305,902</u> | <u>\$ 696,971</u> | (\$ 581,856) | <u>\$ 1,268,926</u> | (\$ 25,997) | <u>\$ 661,073</u> | <u>\$ -</u> | <u>\$ 225,994</u> | <u>\$ 11,915,821</u> |

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

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

GEMTEK TECHNOLOGY CO., LTD

Parent Company and Subsidiaries Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

| code | | 2021 | 2020 |
|--------|--|---------------|---------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| A00010 | Income before income tax | \$ 723,453 | \$ 1,573,172 |
| A20010 | Adjustments for: | | |
| A20100 | Depreciation expense | 369,327 | 329,409 |
| A20200 | Amortization expense | 105,618 | 89,720 |
| A20300 | Expected credit losses reversed on receivables expense | (48) | (47) |
| A20400 | Net (gain)/loss on fair value changes of financial [assets/liabilities] at fair value through profit or loss | (31,797) | 7,786 |
| A20900 | Finance costs | 30,803 | 30,843 |
| A21200 | Interest income | (21,290) | (27,033) |
| A21300 | Dividend income | (4,812) | (6,552) |
| A21900 | Share-based payment expenses | 45,298 | 22,649 |
| A22300 | Share of profit of subsidiaries and associates | (181,117) | (31,374) |
| A22500 | Gain on disposal of property, plant and equipment | 4,601 | 2,480 |
| A23100 | Gain on disposal of associates | (187,819) | - |
| A23200 | Gain on disposal of subsidiaries | - | (1,033,557) |
| A23700 | Write-down of inventories | 26,493 | 30,661 |
| A24100 | Net loss on foreign currency exchange | 29,091 | 78,756 |
| A30000 | Changes in operating assets and liabilities | | |
| A31115 | financial assets at fair value through profit or loss | 41,312 | (30,571) |
| A31130 | Notes receivable | - | 43,732 |
| A31140 | Notes receivable from related parties | 11,250 | (11,250) |
| A31150 | Accounts receivable | (534,077) | (2,548,429) |
| A31160 | Accounts receivable from related parties | (89,683) | (54,104) |
| A31180 | Other receivables | (58,510) | (67,899) |
| A31200 | Inventories | 311,581 | (2,180,699) |
| A31240 | Other current assets | 69,951 | (122,204) |
| A31990 | Prepaid pension | 1,384 | (2,246) |
| A32125 | Contract liabilities | 33,581 | (20,735) |
| A32130 | Notes payable | - | (21,345) |
| A32150 | Accounts payable | (1,696,546) | 2,708,434 |
| A32160 | Accounts payable to related parties | 197,502 | 44,481 |

(Continued)

(Brought Forward)

| c o d e | | 2021 | 2020 |
|--------------------------------------|---|--------------------|--------------------|
| A32180 | Other payables | \$ 186,460 | \$ 236,628 |
| A32230 | Other current liabilities | <u>132,598</u> | <u>69,310</u> |
| A33000 | Cash used in operations | (485,396) | (889,984) |
| A33100 | Interest received | 29,156 | 37,771 |
| A33200 | Dividends received | 4,812 | 6,552 |
| A33300 | Interest paid | (15,248) | (13,621) |
| A33500 | Income tax paid | (<u>106,230</u>) | (<u>47,414</u>) |
| AAAA | Net cash used in operating activities | (<u>572,906</u>) | (<u>906,696</u>) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| B00010 | Purchase of financial assets at fair value through other comprehensive income | (25,593) | (27,336) |
| B00020 | Proceeds from sale of financial assets at fair value through other comprehensive income | 219,349 | 98,471 |
| B00040 | Purchase of financial assets at amortized cost | - | (20,016) |
| B00050 | Proceeds from disposal of financial assets at amortized cost | 20,000 | - |
| B02200 | Net cash inflow from acquisition of subsidiaries (note 27) | 219,968 | 7,696 |
| B02300 | Net cash inflow on disposal of subsidiaries | - | 477,364 |
| B02700 | Acquisition of property, plant and equipment | (550,512) | (823,641) |
| B02800 | Proceeds from disposal of property, plant and equipment | 13,872 | 32,317 |
| B04500 | Acquisition of intangible assets | (652) | (652) |
| B06700 | Increase in other non-current assets | (<u>144,810</u>) | (<u>145,034</u>) |
| BBBB | Net cash used in investing activities | (<u>248,378</u>) | (<u>400,831</u>) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| C00100 | Increase short-term borrowings | 1,026,280 | 745,360 |
| C04020 | Repayment of the principal portion of lease liabilities | (4,803) | (6,035) |
| C04300 | Increase in other non-current liabilities | 2,478 | 366 |
| C04500 | Cash dividends paid | (715,332) | (177,911) |
| C04900 | Payments for buy-back of ordinary shares | <u>-</u> | (<u>68,767</u>) |
| CCCC | Net cash generated from financing activities | <u>308,623</u> | <u>493,013</u> |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | (<u>136,781</u>) | <u>8,646</u> |

| | | | |
|--------|---|---------------------|---------------------|
| EEEE | NET DECREASE IN CASH AND CASH EQUIVALENTS | (649,442) | (805,868) |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>1,925,250</u> | <u>2,731,118</u> |
| E00200 | CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 1,275,808</u> | <u>\$ 1,925,250</u> |

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

Chairman: Hong-wen Chen General Manager: Rong-chang Li Accounting Supervisor: Zhi-hong Lin

Gemtek Technology Co., Ltd. 2021 Profit Distribution Table

Unit: NT\$

| Item | Amount |
|--|---------------|
| 2020 Undistributed retained earnings | 41,979,719 |
| 2021 Profit after tax | 679,793,188 |
| Less: Recognized retained earnings from remeasurement of Defined Benefit Plans | (3,462,374) |
| Less: Transfer accumulated profit or loss to retained earnings for the disposal of equity investment instruments measured at fair value through other comprehensive income | (21,339,474) |
| Adjusted unappropriated retained earnings from current profit after tax and extraordinary items | 654,991,340 |
| Less: Legal Capital Reserve (10%) | (65,499,134) |
| Add : Reverse Special Capital Reserve | 1,110,263,068 |
| Profit available for distribution for the current period | 1,741,734,993 |
| Shareholder dividend (NT\$1.5/share) | 607,738,466 |
| Undistributed retained earnings for the year end | 1,133,996,527 |

Note 1: The payout ratio was calculated on the basis of 405,158,977 outstanding shares as of March 17, 2022. Each common shareholder shall be entitled to receive a cash dividend of NT\$1.5 per share. Cash dividends shall be distributed only to the minimal extent of the smallest integer. Any fractional amounts rendered below NT\$1 shall be transferred to the Employee Benefits Committee.

Note 2: In the event that the proposed profit distribution plan is affected by the buyback of the Company's common stock, transfer, conversion or cancellation of the treasury shares, the exercise of the employee stock options or the conversion of convertible bonds, it is proposed that the Board of Directors be fully authorized by the Shareholder's Meeting to adjust the dividend ratio and handle relevant matters accordingly.

Chairman: Hong-wen Chen

General Manager: Rong-chang Li

Accounting Supervisor: Zhi-hong Lin

Report on Convertible Bonds

The offering and issuance of unsecured convertible bonds for the 5th term is described as follows:

- (1) The offering and issuance of unsecured convertible bonds for the 5th term was listed in the market on March 15th, 2019.
- (2) The amount of unsecured convertible bonds offered and issued for the 5th term is NT\$1.2 billion.
- (3) The conversion price of the convertible bonds at the time of issuance is NT\$26.9. The conversion price was adjusted to NT\$24.8 on August 10, 2021.
- (4) As of March 15, 2022, the number of shares requested to be converted into ordinary shares by the bondholder per conversion procedure was 47,752,481 shares, the conversion amount was NT\$1,196,700 thousand.
- (5) As of April 15, 2022, the amount of unconverted bonds in total was NT\$3,300 thousand, traded at par.

Gemtek Technology Co., Ltd.

Sustainable Development Best Practice Principles

Chapter I General Principles

- Article 1 Gemtek Technology Co., Ltd. (hereinafter referred to as the “Company”) is committed to fulfill its corporate social responsibility initiatives and to promote economic, environmental, and social advancement for the purpose of sustainable development, in consequence, has adopted its own corporate social responsibility practices (hereinafter referred to as the “ Principle”) by following the Sustainable Development Best Practice Principles and relevant regulations that had been jointly formulated by the Taiwan Stock Exchange Corporation ("TWSE") and GreTai Securities Market ("GTSM").
- Article 2 The Company shall actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community, and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.
- Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, within the scope of its corporate management guidelines and business operations, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.
- Article 4 To implement corporate social responsibility initiatives, the Company shall follow the principles below:
1. Exercise corporate governance.
 2. Foster a sustainable environment.
 3. Preserve public welfare.
 4. Enhance disclosure of corporate social responsibility information.
- Article 5 The Company shall establish corporate social responsibility policies, systems, or relevant management guidelines, which shall be approved by the board of directors and then reported to the shareholders meeting.
- When a shareholder proposes a motion involving corporate social responsibility, the Company's board of directors is advised to review and consider including the motion in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

- Article 6 The Company shall establish effective corporate governance frameworks and relevant ethical standards in compliance with the following guidelines set forth by the TWSE/GTSM for Listed Companies: the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct.
- Article 7 The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.
- Article 8 The Company shall, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives.
- Article 9 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

- Article 10 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.
- Article 11 The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
- Article 12 The Company shall establish proper environment management systems based on the characteristics of its industries. Such systems shall include the following tasks:
1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
 2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
 3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of its operation on a regular basis.

- Article 13 The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for its managerial officers and other employees on a periodic basis.
- Article 14 The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:
1. Reduce resource and energy consumption of their products and services.
 2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
 3. Improve recyclability and reusability of raw materials or products.
 4. Maximize the sustainability of renewable resources.
 5. Enhance the durability of products.
 6. Improve efficiency of products and services.
- Article 15 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.
- The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air, and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.
- Article 16 The Company shall assess the effects of climate change on its business operations. The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory. The Companies' carbon reduction strategies should be promoted accordingly to minimize the impact of its business operations as a result of climate change.

Chapter 4 Preserving Public Welfare

- Article 17 The Company shall comply with relevant laws pertaining to labor, employee rights protection, and the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.
- The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force. In order to ensure equality and transparency of the grievance process, channels through which a grievance may be raised shall be clear, convenient,

and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 18 The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company conducts its business operations.

Article 19 The Company shall provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company shall organize training on safety and health for their employees on a regular basis.

Article 20 The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

Article 21 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22 The Company shall take responsibility for its products and services, and take marketing ethics seriously. The Company shall treat customers or consumers of its products or services in a fair and reasonable manner to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 23 The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of its products and services, and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 24 The Company shall evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, and shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data

provided by consumers.

Article 25 The Company shall assess the impact of its procurement procedures on the environment and social community that it is procuring from, and shall communicate with their suppliers to jointly support the corporate social responsibility initiative.

Article 26 The Company shall evaluate the impact of its business operations on the local community, and hire employees from the local community where the business operations are located to enhance community acceptance.

The Company shall, through commercial activities, endowments, volunteering services or other charitable professional services etc., participate in events held by civil society organizations, charities and local government agencies to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 27 In the interest of enhancing information transparency, the Company shall, in compliance with relevant laws, regulations, and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies, disclose information to its stakeholders with complete accuracy and fairness.

Article 28 The Company shall adopt internationally recognized standards or guidelines provided by the Global Reporting Initiative (GRI) when regularly producing corporate social responsibility reports to disclose the performance of its implementation of the corporate social responsibility policy, and shall obtain a third-party assurance or verification for reports.

Chapter 6 Supplementary Provisions

Article 29 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 30 The Principles shall be implemented after an approval is made by the board of directors. The same procedure shall apply to any amendment thereto.

This Principle was established on March 17, 2022.

Share Repurchases Report

As of Date: May 9, 2022

| | |
|--|---|
| Term of Repurchase | 10th |
| Reason | Maintain Company Credibility and Shareholder Equity |
| Repurchase Period | April 21, 2022 – June 20, 2022 |
| Repurchase Price Range | NT\$28.00~NT\$38.00 |
| Type and Number of Shares Repurchased | 3,734,000 Common Shares |
| Total Value of Repurchased Shares | NT\$111,243,782 |
| Number of Cancelled and Transferred Shares | 0 shares |
| Cumulative Number of Company Shares Held | 0 shares |
| Percentage of Cumulative Shareholding (%) | 0 shares |

Notes on Shareholder Proposals

1. Pursuant to Company Act Article 172-1, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may submit a proposal for discussion to the Company at a regular shareholders' meeting, provided that only one discussion matter shall be allowed in each single proposal. The proposed case is limited to 300 words.
2. Shareholder proposals are to be submitted between April 01, 2022 to April 11, 2022 according to the company-made public announcement on the Market Observatory Post System. Shareholder proposals that are not duly submitted within the specified period will not be discussed at the 2021 shareholders meeting.

Gemtek Technology Co., Ltd.

Amendments to the Articles of Incorporation

Comparison Chart

| After Amendment | Before Amendment | Reasons for Amendment |
|--|--------------------------------------|---|
| Section III - Shareholders' Meetings | Section III - Shareholders' Meetings | Title of Section Amended |
| <u>Article 9-1</u> <u>Shareholders' meeting can be held by</u> <u>means of visual communication network or</u> <u>other methods promulgated by the central</u> <u>competent authority.</u> | <u>(Insert provision)</u> | <p>On December 29, 2021, Article 172-2 of the Company Act was enacted stating that a public company may, according to Article 172-1, explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the competent authority, namely, the Ministry of Economic Affairs.</p> <p>While taking the government's latest policy into consideration and keeping up with demands for digitization, the company therefore decides to update its provisions in the Articles of Incorporation governing Shareholders' Meeting (Article 9-1).</p> <p>The purpose is to provide new options for shareholders to actively participate in the shareholders' meeting by means of video conference or other methods that are deemed appropriate by the competent authority.</p> |

| After Amendment | Before Amendment | Reasons for Amendment |
|---|--|---|
| Section III - Shareholders' Meetings | Section III - Shareholders' Meetings | Title of Section Amended |
| <u>Article 9-1</u> <u>Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u> | <u>(Insert provision)</u> | <p>On December 29, 2021, Article 172-2 of the Company Act was enacted stating that a public company may, according to Article 172-1, explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the competent authority, namely, the Ministry of Economic Affairs.</p> <p>While taking the government's latest policy into consideration and keeping up with demands for digitization, the company therefore decides to update its provisions in the Articles of Incorporation governing Shareholders' Meeting (Article 9-1).</p> <p>The purpose is to provide new options for shareholders to actively participate in the shareholders' meeting by means of video conference or other methods that are deemed appropriate by the competent authority.</p> |
| <p>These Articles of Incorporation were entered into on.....</p> <p>The twentieth amendment was made on June 15, 2015</p> <p>The twenty-first amendment was made on June 14, 2016</p> <p>The twenty-second amendment was made on June 18, 2019</p> <p><u>The twenty-third amendment was made on June 09, 2019</u></p> | <p>These Articles of Incorporation were entered into on.....</p> <p>The twentieth amendment was made on June 15, 2015</p> <p>The twenty-first amendment was made on June 14, 2016</p> <p>The twenty-second amendment was made on June 18, 2019</p> | Amendment date of the Articles of Incorporation. |

| After Amendment | Before Amendment | Reasons for Amendment |
|--|--------------------------------------|---|
| Section III - Shareholders' Meetings | Section III - Shareholders' Meetings | Title of Section Amended |
| <u>Article 9-1</u> <u>Shareholders' meeting can be held by</u> <u>means of visual communication network or</u> <u>other methods promulgated by the central</u> <u>competent authority.</u> | <u>(Insert provision)</u> | <p>On December 29, 2021, Article 172-2 of the Company Act was enacted stating that a public company may, according to Article 172-1, explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the competent authority, namely, the Ministry of Economic Affairs.</p> <p>While taking the government's latest policy into consideration and keeping up with demands for digitization, the company therefore decides to update its provisions in the Articles of Incorporation governing Shareholders' Meeting (Article 9-1).</p> <p>The purpose is to provide new options for shareholders to actively participate in the shareholders' meeting by means of video conference or other methods that are deemed appropriate by the competent authority.</p> |
| | | |

Gemtek Technology Co., Ltd.

Amendments to the Procedures Governing Acquisition and Disposal of Assets

Comparison Chart

| Before Amendment | After Amendment | Reasons for Amendment |
|--|--|--|
| <p>Article 4 Evaluation and Operating Procedures for Acquisition or Disposal of Assets</p> <p>1.Unamended</p> <p>2.Unamended</p> <p>3. (1) Unamended</p> <p>3. (2) The acquired or disposed amount of securities by the company reaches the threshold as articulated in Article 7 of this procedure shall undergo public announcement and filing. Except for the following mentioned securities, the company shall obtain the latest financial statements that have been audited and reviewed by the CPA as reference for the evaluation of the price prior to the transaction date. If the difference between the net value per share and the transaction price is more than 20%, a CPA is required to <u>comply with the provisions of Auditing Standards No. 20-13 issued by the Accounting Research and Development Foundation and</u> express concrete opinions regarding the difference and the validity of the transaction price.</p> <p>i. Securities trading in the Stock Exchange Market or in the Taipei Exchange Market (hereinafter referred to as the TPEX).</p> <p>ii. Buying and selling domestic beneficiary certificates or overseas mutual funds.</p> <p>iii. Original subscription (including initial offerings and cash increase subscriptions).</p> <p>iv. The securities acquired or disposed from the target company comply with the handling rules to publicly trade securities for the purpose of decentralizing shares before listing.</p> <p>v. Buying and selling bonds.</p> <p>4.Unamended</p> | <p>Article 4 Evaluation and Operating Procedures for Acquisition or Disposal of Assets</p> <p>1.Unamended</p> <p>2.Unamended</p> <p>3. (1) Unamended</p> <p>3. (2) The acquired or disposed amount of securities by the company reaches the threshold as articulated in Article 7 of this procedure shall undergo public announcement and filing. Except for the following mentioned securities, the company shall obtain the latest financial statements that have been audited and reviewed by an accountant as reference for the evaluation of the price prior to the transaction date. If the difference between the net value per share and the transaction price is more than 20%, the accountant is required to express concrete opinions regarding the difference and the validity of the transaction price.</p> <p>i. Securities trading in the Stock Exchange Market or in the Taipei Exchange Market (hereinafter referred to as the TPEX).</p> <p>ii. Buying and selling domestic beneficiary certificates or overseas mutual funds.</p> <p>iii. Original subscription (including initial offerings and cash increase subscriptions).</p> <p>iv. The securities acquired or disposed from the target company comply with the handling rules to publicly trade securities for the purpose of decentralizing shares before listing.</p> <p>v. Buying and selling bonds.</p> <p>4.Unamended</p> | <p>In accordance with the order issued by the Financial Supervisory Commission as of January 28, 2022 regarding Regulations Governing the Acquisition and Disposal of Assets by Public Companies (Issue no. Financial-Supervisory-Securities-Corporate-1110380465)</p> |

| | | |
|--|---|--|
| <p>Article 5 1.Unamended 2.Authorization (1) Unamended (2) Unamended (3) Unamended</p> <p>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.</p> | <p>Article 5 1.Unamended 2.Authorization (1) Unamended (2) Unamended (3) Unamended</p> <p>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.</p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</u></p> <p><u>If a public company or a subsidiary thereof that is not a domestic public company will have such transaction and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall</u></p> | <p>In accordance with the order issued by the Financial Supervisory Commission as of January 28, 2022 regarding Regulations Governing the Acquisition and Disposal of Assets by Public Companies (Issue no. Financial-Supervisory-Securities-Corporate-1110380465)</p> |
|--|---|--|

| | | |
|--|---|--|
| | <p><u>submit the materials to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts shall be made in accordance with Article 31, paragraph 2 herein, 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 approved by the shareholders meeting or board of directors and recognized by the audit committee need not be counted toward the transaction amount.</u></p> | |
|--|---|--|

Gemtek Technology Co., Ltd.

List of Candidates for Directors (including Independent Directors)

| Position | Name of Candidate | Educational Background | Career Experience | Current Position | Shareholding (Note 1) |
|----------|-------------------|---|---|--|-----------------------|
| Director | Hong-wen Chen | Master of Electrical Engineering, National Tsinghua University | Taiwan Semiconductor Manufacturing Company Limited Syntek Semiconductor Co., Ltd. | Chairman, Gemtek Investment Co., Ltd. Chairman, Browan Communications Chairman, Antek Networks Inc. Chairman, Polaris Group Director, G-Technology Investment Co., Ltd Director, Witek Investment Co., Ltd Director, Ampak International Holdings Ltd Director, Primax Communication (B.V.I.) Inc. Director, Free PPWorldwide Co., Ltd Director, Yield Microelectronics Corporation | 7,307,937 |
| Director | Fu-zan Tsai | Master of Photoelectric Engineering, National Chiao Tung University | Associate Research Fellow, National Chung-Shan Institute of Science & Technology Chairman, Ampak Technology Inc. | Senior Deputy General Manager, Gemtek Technology Co., Ltd. Chairman, Gemtek Electronics (Kunshan) Co., Ltd. Chairman, Gemtek Electronics (Suzhou) Co., Ltd Director, BRIGHTTECH Co. | 1,887,732 |
| Director | Cheng-ren Yang | PhD of Electrical Engineering, National Tsinghua University | General Manager, Browan Communications Inc. | Executive Director, Gemtek Technology Co., Ltd. Representative Director, Gemtek Investment Co., Ltd. | 1,421,269 |

| | | | | | |
|----------------------|-----------------------------|---|---|--|-----------------------|
| | | | | Representative Director, Antek Networks Inc. Professor, Yuan Ze University | |
| Director | Jong-hui Hsu | Bachelor of Electrical Engineering Tatung Institute of Technology | Engineer, National Chung-Shan Institute of Science & Technology | Senior Deputy General Manager, Gemtek Technology Co., Ltd. Representative Director, Gemtek Investment Co., Ltd. Chairman, BandRich Inc. | 1,304,927 |
| Position | Name of Candidate | Educational Background | Career Experience | Current Position | Shareholding (Note 1) |
| Director | Yue-ji Chang | Master of Business Administration National University of Kaohsiung | General Manager, BRILLIANT FOOTWEAR CORPORATION | Director, Gemtek Technology Co., Ltd. | 3,000,715 |
| Director | Lee-heng Investment Limited | N/A | Director, AMPAK Technology Inc. | Director, Gemtek Technology Co., Ltd. Supervisor, REC Technology Corporation | 1,375,000 |
| Independent Director | Yao-geng Zhao (Note 2) | PhD, Electrical Engineering University of Maryland, USA | Director, ASANLITE CO., LTD. Vice Chairman, Republic of China Radio Association | Independent Director, Favite Inc. Director, Harbinger VII Venture Capital Corp. Dean, College of Electrical and Communication Engineering, Yuan Ze University | |
| Independent | Zhu-san Wang | PhD, Finance University of Tennessee, USA | Certificate Program Convenor, National Taipei University Bachelor | Professor, Department of Business Administration, | |

| | | | | | |
|----------------------|-----------------|---|--|---|--|
| Director | | <p>Master of Business Administration, Cleveland State University, USA</p> <p>Master of Polymers, Case Western Reserve University, USA</p> <p>Bachelor of Chemistry, National Tsinghua University</p> | <p>of Finance</p> <p>Consultant for Promoting Financial Intellectual Property of small and medium-sized enterprises, Small and Medium Enterprise Administration, MOEA</p> <p>CEO, IEMBA, National Taipei University</p> | <p>National Taipei University</p> <p>Director, The Association of Crowdfunding and Financial Technology Service</p> <p>Director, Association of Business Administration, National Taipei University</p> <p>Member of Investments Review Board, MOEA</p> | |
| Independent Director | Chih-Yang Chang | <p>Bachelor of Physics, National Taiwan University</p> <p>Master of Electrical Engineering, National Taiwan University</p> <p>PhD, Department of Electrical Engineering, University of Texas at Austin, USA</p> | <p>Assistant Researcher, National Chung-Shan Institute of Science & Technology</p> <p>Associate Research Fellow, National Chung-Shan Institute of Science & Technology</p> <p>Associate Professor, Department of Electrical Engineering, National Chiao Tung University</p> <p>Independent Director, Ampak Technology Inc.</p> | <p>Professor, Department of Electrical Engineering, National Chiao Tung University</p> <p>Independent Director/Member of Compensation committee, Alpha Microelectronics Corp.</p> | |

Note 1: The number of shares as of April 11, 2022.

Note 2: Reasons for nominating candidates who have served as independent directors for three consecutive terms – The Company has benefited much due to their professional background and relevant experiences in corporate governance, therefore it is considered that their insights and supervision as independent director are needed to facilitate the board.

Gemtek Technology Co., Ltd.

Waiver of Non-compete Agreement for Newly Appointed Directors and Independent Directors

| Position | Name | Current Position at Other Companies |
|----------------------|-----------------|--|
| Director | Hong-wen Chen | Chairman, Gemtek Investment Co., Ltd. Chairman, Browan Communications Chairman, Antek Networks Inc. Chairman, Polaris Group Director, G-Technology Investment Co., Ltd Director, Witek Investment Co., Ltd Director, Ampak International Holdings Ltd Director, Primax Communication (B.V.I.) Inc. Director, Free PPWorldwide Co., Ltd Director, Yield Microelectronics Corporation |
| Director | Fu-zan Tsai | Senior Deputy General Manager, Gemtek Technology Co., Ltd. Chairman, Gemtek Electronics (Kunshan) Co., Ltd. Chairman, Gemtek Electronics (Suzhou) Co., Ltd Director, BRIGHTTECH Co. |
| Director | Cheng-ren Yang | Representative Director, Gemtek Investment Co., Ltd. Representative Director, Antek Networks Inc. |
| Director | Jong-hui Hsu | Director, Gemtek Investment Co., Ltd. Chairman, BandRich Inc. |
| Independent Director | Yao-geng Zhao | Independent Director, Favite Inc. Director, Harbinger VII Venture Capital Corp. |
| Independent Director | Chih-Yang Chang | Independent Director, Alpha Microelectronics Corp. |

**ARTICLES OF INCORPORATION
OF
GEMTEK TECHNOLOGY CO., LTD. (the "Company")**

Section I - General Provisions

- Article 1 The Company is incorporated in accordance with the Company Law of the Republic of China, and its name is Gemtek Technology Co., Ltd.
- Article 2 The scope of business of the Company shall be as follows:
1. Research, development, manufacture, purchase and sale of electronic components, semi-finished products and finished products;
 2. Research, development, manufacture, purchase and sale of computer software, hardware and peripheral equipment;
 3. Import-export trading business in relation of the foregoing products;
 4. CC01101 Restricted telecom radio frequency equipment and materials manufacturing;
 5. F401021 Restricted telecom radio frequency equipment and materials import;
 6. E701031 Restrained telecom radio frequency equipment and materials construction;
 7. F113070 Wholesale of telecom instruments; and
 8. F213060 Retail sale of telecom instruments.
- Article 2-1 The Company may provide guarantees to others when necessary for its business.
- Article 3 The Company shall have its headquarters in Hsinchu County, Taiwan and may, wherever and whenever the Company deems it necessary, set up branch offices or representative offices within and outside of the territory of Taiwan pursuant to a resolution adopted at a meeting of the board of directors and the approvals of government authorities.
- Article 4 The Company may act as other limited company's shareholder when necessary for its business. The total amount of the Company's reinvestment in other companies is not subject to the restriction stipulated in Article 13 of the Company Law.

Section II - Capital Stock

- Article 5 The total authorized capital of the Company shall be in the amount of NT\$5,000,000,000 divided into 500,000,000 shares, at a par value of NT\$10 each, and shall be issued in installments subject to the resolution of the board of directors. Within the aforementioned share quota, 50,000,000 shares shall be reserved for use when any option attached to the Company's corporate bonds,

preferred shares with stock options or warrants, if any, has been exercised.

Article 6 Deleted.

Article 7 The Company may issue shares without printing share certificate(s) and shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

Article 8 Registration for share transfer shall be suspended for sixty days immediately before the date of any regular shareholders' meeting, and thirty days immediately before the date of any special shareholders' meeting, and five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Section III - Shareholders' Meetings

Article 9 There shall be two types of shareholders' meetings, namely: regular shareholders' and special shareholders' meetings. Regular shareholders' meetings shall be convened once a year, within 6 months of the end of each fiscal year. Special shareholders' meetings shall be held as necessary and organized according to the relevant laws, rules and regulations of the Republic of China.

Article 10 Pursuant to Company Act Article 177, if a shareholder is unable to attend a shareholders' meeting, such shareholder may appoint a proxy to attend the meeting by executing a power of attorney in the form as printed by the Company specifying therein the scope of power authorized to the proxy. According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 11 Shareholders shall be entitled to one vote for each share held except for those as provided in the Company Law of the Republic of China.

Article 12 Any resolutions at a shareholders' meeting shall, unless otherwise provided for in the relevant laws, rules and regulations of the Republic of China, be adopted if voted in favor of by the majority of shareholders present at a shareholders' meeting at which shareholders of more than one-half of the issued and outstanding shares are present.

Article 12-1 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. Meeting minutes shall detail the date, venue, name of the chairman, and resolutions, and shall be distributed to shareholders within 20 days after the adjournment of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Corporation. The aforementioned minutes shall be compiled and distributed via electronic media or other means of announcements.

Section IV – Directors and Supervisors

Article 13 The Company shall have nine directors and three supervisors to be elected at a shareholders' meeting from among persons of legal capacity, with a term of

office of three (3) years each. The directors may be eligible for re-election.

- Article 13-1 The Company shall purchase liability insurance for its directors and supervisors, for their respective term lengths and within the scope of their duties.
- Article 13-2 The Company shall have at least two independent directors among the aforesaid number of directors, and the mandatory seats for independent directors should not be less than one-fifth of the total number of directors. Independent directors shall be elected based on the adoption of the candidates nomination system. Shareholders shall elect the independent directors from among the nominees listed in the roster of independent director candidates. The election of independent and non-independent directors shall be conjointly held, and the votes shall be calculated separately. The relevant regulations pertaining to the professional qualifications, restrictions on shareholding and concurrent positions held, nomination and election, and other compliance requirements of the independent directors as stipulated by the competent securities authority should be followed accordingly.
- Article 14 The board of directors shall be composed of the directors, who shall elect one Chairperson of the board from among themselves by a majority at a meeting attended by two thirds or more of the directors. The Chairperson of the board of directors shall externally represent the Company.
- Article 14-1 Each director shall attend the meeting of board of directors in person. In case a director is unable to attend the meeting in person, the director may designate one of the other directors to act for and on his/her behalf. A director may only act for one other director.
- Article 14-2 The notice for convening a meeting of the board of directors shall be in written form, E-mail, or facsimile.
- Article 15 In the event that the Chairperson is on leave or cannot exercise his powers and authority for any reason, Article 208 of the Company Law shall govern her/his agency.
- Article 16 The remuneration of the directors and the supervisors shall be determined by resolution of a shareholders' meeting, and shall conform to the standard generally adopted by other enterprises in the same industry, and shall be paid regardless whether the Company earns profits or suffers losses.

Section V - Managerial Officers

- Article 17 The Company may have one president. The appointment, removal and remuneration of the president shall be determined and effected in accordance with Article 29 of the Company Law.

Section VI – Accounting

- Article 18 At the end of each fiscal year, the board of directors shall prepare and review: (1) operation reports (2) financial statements and (3) proposal for allocation of net profits or making up losses, and shall submit those reports and documents to the regular shareholders' meeting for ratification.
- Article 19 Deleted.

Article 20 The Company shall, after deducting the employee bonuses and remuneration benefits of directors and supervisors from the current year's pre-tax benefits, allocate 13.5% for employee profit sharing bonuses and 1.8% for the remuneration benefits of directors and supervisors. Employee profit sharing bonuses are to be granted in the form of securities or cash to qualified company employees, which the occurrences are to be mentioned and reported in the shareholders' meeting. The Company shall not distribute bonuses in the event of accumulated losses.

Article 20-1 Upon the closing of the Company's annual financial accounts, if surplus profit is determined, the Company shall first pay taxes and make up for all past losses; then, set aside a 10% legal capital reserve and a special capital reserve in accordance with applicable laws, rules and regulations. The remainder of the profits after deducting the foregoing shall be allocated as shareholders' dividends, subject to proposal by the board of directors and approval by shareholders at a shareholders' meeting.

Considering the current development status of the Company and the overall conditions of the industrial environment, other factors such as the Company's financial measures that might influence the financial structure and profit earnings are the key elements for determining the amount and type of surplus distributed. Bearing in mind the Company's capital requirements, long-term financial goals, and shareholders' demands for liquidity, the distribution of surplus profit shall be made preferably by way of cash and stock dividends. The distribution of cash dividends per year shall not be lower than 10% of the aggregate amount of the stock dividends and cash dividends distributed for that particular year.

Article 21 If the Company plans to transfer shares to employees at less than the average actual repurchase price, the Company must pursuant to applicable laws, rules and regulations have obtained the consent of the most recent shareholders meeting.

Article 22 In the event that the Company plans to issue employee stock warrants, at the exercise price lower than the closing price of the Company stocks as of the issue date, the Company must pursuant to applicable laws, rules and regulations have obtained the consent of the most recent shareholders meeting.

Article 23 Matters not provided for in these Articles of Incorporation shall be governed by the Company Law of the Republic of China.

Article 24 These Articles of Incorporation were entered into on June 17, 1988.

The first amendment was made on July 22, 1991;

The second amendment was made on October 21, 1994;

The third amendment was made on July 30, 1996;

The fourth amendment was made on July 10, 1997;

The fifth amendment was made on December 14, 1997;

The sixth amendment was made on January 8, 1998;

The seventh amendment was made on June 16, 1999;

The eighth amendment was made on November 26, 1999;

The ninth amendment was made on June 30, 2000;

The tenth amendment was made on April 18, 2001;

The eleventh amendment was made on May 13, 2002;

The twelfth amendment was made on May 13, 2002;

The thirteenth amendment was made on June 23, 2003;
The fourteenth amendment was made on April 29, 2004;
The fifteenth amendment was made on June 14, 2006.
The sixteenth amendment was made on April 26, 2007.
The seventeenth amendment was made on June 28, 2007
The eighteenth amendment was made on June 15, 2010
The nineteenth amendment was made on June 21, 2012
The twentieth amendment was made on June 15, 2015
The twenty-first amendment was made on June 14, 2016
The twenty-second amendment was made on June 18, 2019

Gemtek Technology Co., Ltd.
Chairman of Board of Directors
Hong-wen Chen

Gemtek Technology Co., Ltd.

RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

1. The Shareholders' Meeting of the Company (herein referred to as the "Meeting") shall be conducted in accordance with the Rules and Procedures delineated in the following articles.
2. Shareholders and their proxies (herein collectively referred to as "shareholders") shall be admitted to the Meeting by presenting the attendance card, sign-in card, or other certificates of attendance during registration. Attendance and voting shall be calculated based on the number of shares present at the Meeting, which is determined according to the shares indicated on the sign-in cards and proxy forms presented, plus the number of shares whose shareholder voting rights are exercised via written correspondence or electronic media.

A shareholder exercising voting rights via written correspondence or electronic media will be deemed to be attending the meeting in person, but to have waived his/her rights with respect to the extratemporary motions and amendments to original proposals of that meeting.

Resolutions shall be recorded in the meeting minutes.

3. The Chairperson shall call the Meeting to order at the time scheduled for the Meeting when the numbers of shares in attendance meets 1/2 of the outstanding common shares. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the Chairperson may postpone the Meeting. The postponements shall be limited to no more than two times and the aggregate time postponed shall not exceed one hour. If no quorum can yet be constituted after two postponements but the shareholders present at the Meeting represent more than 1/3 of the total outstanding shares, tentative resolutions may be made in accordance with Company Act Article 175.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the Chairperson may submit the tentative resolutions to the Meeting for approval in accordance with Company Act Article 174.

4. The agenda of the 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 changed without a resolution from the Shareholders' Meeting.
5. When a shareholder present at the Meeting wishes to make a statement, a Speech Slip should be filled out, which include the subject and summary of the speech, the shareholder's account number (or the Attendance Card number), and the name of the shareholder. The order of speaking shall be arranged by the Chairperson.

6. The duration of each speech shall not exceed 5 minutes, unless permitted by the Chairperson, the speaker may gain the permission to prolong the speech once for 3 minutes maximum.
7. Each shareholder shall not, for each discussion item, speak more than two times.
8. In case the duration of the speech exceeds the limited time granted, or the content delivered is irrelevant to the discussion item, the Chairperson may request the speaker to discontinue the speech.
9. The Chairperson may promptly announce the end of a discussion if the Chairperson deems it appropriate.
10. The Chairperson may initiate a voting session upon the end of a discussion.
11. The Chairperson may call for an intermission during the Meeting at personal discretion. If a force majeure event occurs, the Meeting shall be reconvened within five days, subject to the schedule resolved by the Meeting, and is not obliged to provide further notice or public announcements to shareholders.
12. After an attending shareholder has spoken, the chair may respond to the statement in person or direct relevant personnel to respond
13. The Chairperson shall announce the end of a proposed discussion and proceed with the voting if he/she feels the remainder of the discussion will affect the smooth proceeding of the meeting, or sufficient discussion has been made and no further statements are required.
14. Any matters and circumstances not specified in the Rules and Procedures shall be carried out in accordance with relevant laws and regulations.
15. These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings

Gemtek Technology Co., Ltd.

Procedures for Election of Directors

Article 1 Elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 2 The cumulative voting method shall be used for election of the directors and supervisors at this Corporation, unless exceptionally regulated by its articles of incorporation, each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 3 The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors 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.

Article 4 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

Article 5 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting for the director and supervisor commences.

Article 6 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 6-1 Election of directors and independent directors are conducted conjointly, with voting rights separately calculated for independent and non-independent director positions.

Article 7 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
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 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. 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.
6. No shareholder name, account number or identity card number is provided in the ballot to identify such individual.

Article 8 Shareholders shall elect the number of directors and supervisors as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. 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, with the chair drawing lots on behalf of any person not in attendance.

If a person is concurrently selected to serve as the director or supervisor of the company, the person shall select only one of the positions to undertake. Thus, the unclaimed position shall be appointed to a second person who have obtained the second majority of the vote. Appointment of the unclaimed position also applies to circumstances when the results of the election was announced invalid by law; or the elected candidate does not meet the qualification requirements.

Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

Article 9-1 Election results will be proclaimed invalid if the above is not in compliance with Article 26-3 Paragraph 3&4.

Article 10 The board of directors of this Corporation shall issue notifications to the persons

elected as directors or supervisors.

Article 11 The Procedures for Election of Directors and Supervisors is established in accordance with the Company Act, the Company's Articles of Incorporation, and relevant laws and regulations.

Article 12 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 13

These Procedures were established on June 16, 1999

The first amendment was made on June 23, 2003

The second amendment was made on June 28, 2007

The third amendment was made on June 18, 2019

Gemtek Technology Co., Ltd.

Procedures Governing Acquisition and Disposal of Assets

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| Article 1 | Objective and Origin of the Law: In an aim to reinforce asset management measures, these Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Securities and Futures Bureau of the Ministry of Finance as of February 13, 2012. The Company shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where another act provides otherwise, the provisions of such act shall govern. |
| Article 2 | The term "assets" as used in these Regulations includes the following: <ol style="list-style-type: none"> 1. 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. 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Right-of-use asset. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 7. Derivatives. 8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 9. Other major assets. |
| Article 3 | Terms used in these Regulations are defined as follows: <ol style="list-style-type: none"> 1. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards 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 2. 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. 3. The term "subsidiary" as used in this procedure means the provisions of the Financial Reporting Standards Bulletin No. 5 & 7 issued by the Accounting Research and Development Foundation. 4. The term "within one year" as used in this procedure is based on the date on which the transaction occurred, and is retroactively calculated for one year. The part that had been already announced can be excluded. 5. The term "recent financial statements" as used in the procedures refers to the financial statements of the company that have been publicly audited or verified by an accountant |

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| | <p>before the assets are acquired or disposed of.</p> <p>6. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>7. 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.</p> |
| Article 4 | <p>Evaluation and Operating Procedures for Acquisition or Disposal of Assets:</p> <p>1. The acquisition or disposition of each asset shall be approved in accordance with the provisions of the “Signing Authority” of the Company.</p> <p>2. Evaluation Procedures:</p> <p>(1) Regarding the evaluation procedures of the acquisition of assets, acquiring items related to real estate and other fixed assets shall require a capital expenditure budget plan provided by each department in advance. After the evaluation is carried out, the capital expenditure budget shall be presented to the Ministry of Finance, then executed and controlled according to the plan.</p> <p>If the real estate is obtained from affiliated parties, in addition to the construction contract, the monthly forecast of the cash receipts and expenditures for the coming year beginning from the contracting month shall be prepared, and the necessity and the appropriateness of the use of the funds shall be assessed. Appraisal reports rendered by professional appraisers or audit opinions shall be obtained according to the regulations. For acquiring assets that involve long-term and short-term securities, the assessment shall be conducted by the executing department.</p> <p>(2) Regarding the evaluation procedures of the disposal of assets, disposal of items related to real estate require the related departments to fill out an application or signed off the matter as a special project, stating the reasons for the disposal, the manner of disposal, and is only eligible for implementation after having received approval. If the disposal of the real estate is related to an affiliated party regardless of the amount, the relevant information shall be submitted to the board of directors and the supervisor for recognition. For acquiring assets that involve long-term and short-term securities, the assessment shall be conducted by the executing department prior to implementation.</p> <p>3. Operating procedures for the acquisition or disposal of securities:</p> <p>(1) Investments in long-term and short-term securities shall be reasonably evaluated in accordance with the generally accepted accounting principles. All certificates of the securities shall be registered by the finance department and stored in the safe deposit box.</p> <p>(2) The acquired or disposed amount of securities by the company reaches the threshold as articulated in Article 7 of this procedure shall undergo public announcement and filing. Except for the following mentioned securities, the company shall obtain the latest financial statements that have been audited and reviewed by the CPA as reference for the evaluation of the price prior to the transaction date. If the difference between the net value per share and the transaction price is more than 20%, a CPA is required to comply with the provisions of Auditing Standards No. 20 -13 issued by the Accounting Research and Development Foundation and express concrete opinions regarding the difference and the validity of the transaction price.</p> <p>i. Securities trading in the Stock Exchange Market or in the Taipei Exchange Market (hereinafter referred to as the TPEx).</p> <p>ii. Buying and selling domestic beneficiary certificates or overseas mutual funds.</p> <p>iii. Original subscription (including initial offerings and cash increase subscriptions).</p> |

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| | <p>iv. The securities acquired or disposed from the target company comply with the handling rules to publicly trade securities for the purpose of decentralizing shares before listing.</p> <p>v. Buying and selling bonds.</p> <p>4. Operating Procedures for Acquisition or Disposal of Assets</p> <p>(1) If the acquired or disposed land or property meets the conditions stipulated in Article 7 of this procedure, an appraisal report ought to be obtained from a professional appraiser who is objective, impartial, and independent before the transaction date, and the appraisal of assets shall be conducted in accordance with this Procedure.</p> <p>(2) If the transaction amount reaches more than NT\$1 billion, two or more professional appraisers should be consulted to conduct the appraisal.</p> <p>(3) After the real estate and other fixed assets are acquired, they shall be insured immediately to prevent losses of the company.</p> <p>(4) After the assets are acquired, they shall be registered, managed and used in accordance with the “Property Management Measures” of the Company.</p> |
| Article 5 | <p>Transaction Criteria</p> <p>1. Price decision method and reference basis:</p> <p>(1) The price of the acquired or disposed securities that have been traded in the Stock Exchange Market or TPEx is determined according to the time of the transaction.</p> <p>(2) When acquiring or disposing of securities that are not traded in a Stock Exchange Market or TPEx, the net worth per share, profitability, future development potential, market interest rate, bond coupon rate and credit ratings etc., should be taken into consideration, with reference to recent transaction prices at the time.</p> <p>(3) The acquisition or disposal of real estate and other fixed assets shall be signed off as a special project and explained by the executing department. The asset management department shall refer to the publicly announced current value, the appraised present value, the actual transaction price of neighboring real estates, supplier's quotation, and is to compare and negotiate as a means to determine the final transaction price. If the applicant should meet the requirements of the procedures, a professional appraiser should be hired before the date of occurrence.</p> <p>(4) In the event that the transaction amount reaches more than 10% of the company's total assets during the acquisition and disposal of assets of the Company and its affiliated parties, it shall obtain professional appraisal or audit opinion in addition to handling relevant resolution procedures and assessing the appropriateness of the trading criteria. The calculation of the transaction amount shall be handled in accordance with Article 11-1 of the procedures.</p> <p>The procedures regarding 10% of total assets are calculated based on the total assets in the most recent consolidated or individual financial reports as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>(5) In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.</p> |

(6) A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively 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 FSC for recordation.

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(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 & 4.

2. Authorization

(1) The acquisition or disposal of assets of the Company shall be handled in accordance with the "Signing Authority" of the Company. However, if the real estate is acquired from an affiliated party, the relevant information should be submitted to the board of directors and supervisors for approval and recognition as well as the shareholders meeting in conjunction with the above-mentioned monthly forecast of the cash receipts and expenditures for the coming year beginning from the contracting month, and the necessity and the appropriateness of the use of the funds. In addition, if a real estate transaction requires a limited price, a specific price, or a special price as the basis of the transaction price due to exceptional reasons, it shall be approved by the board of directors in advance. Supervisors shall be notified of the transaction and the transaction shall be reported at the shareholders' meeting. If the amount of assets obtained or disposed of reaches either the NT\$50 million threshold or the standard amount stipulated in this procedure, the board of director's approval ought to be obtained prior to the execution. However, if it is deemed appropriate to prioritize the transaction process ahead of schedule due to business demands, the transaction can be carried out based on the permission of the chairman of the board. An agenda regarding the transaction shall be submitted to the board of directors meeting for ratification.

(2) If the acquisition or disposal of assets is conducted according to the company law or other laws and regulations, it must be resolved, recognized, or reported to the shareholders meeting, and should be handled in accordance with the shareholders meeting.

(3) The board of directors of the company and its subsidiaries may acquire or dispose of the machinery and equipment that are used for business. Based on the third paragraph of Article 7-1 of this procedure, the board of directors may authorize the chairman to deliberate and execute the transaction within a certain amount. An agenda regarding the transaction shall be submitted to the board of directors meeting for ratification.

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

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| | recorded in the minutes of the board of directors meeting. |
| Article 6 | <p>Responsible Departments</p> <p>For acquisition or disposal of long/short term security investment, the departments responsible therefore should be Finance Division or other related departments. For acquisition or disposal of real estate and other fixed assets, the departments responsible therefore should be the ones or other related departments using the assets.</p> |
| Article 7 | <p>Public Announcement and Filing Procedures</p> <p>Should any of the following conditions relating to the Company's acquisition or disposal of assets occurs, filing and public announcement shall be made according to the relevant regulations within two days commencing immediately from the Date of the Event:</p> <ol style="list-style-type: none"> 1.Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20% of this Company's paid-in capital, 10% of this Company's total assets, or NT\$300 million; provided, this shall not apply to buying or selling of government bonds or bonds under repurchase and resale agreements, nor subscription or redemption of domestic money market funds issued by securities investment trusts 2.Merger, spin-off, acquisition or share transfer; 3. The maximum amount of all or individual contractual losses specified in the processing procedures for derivative transactions. 4. If the transaction carried out for the acquired or disposed machinery and equipment that are used for business are not with related parties, and the transaction amount accommodates one of the following provisions: <ol style="list-style-type: none"> (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. 5. 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 the amount the company expects to invest in the transaction reaches NT\$500 million. 6. In addition to the five procedures mentioned in the above, transaction amounts derived from any asset transactions, disposal of equity by financial institutions, or engagement in mainland investment should not exceed 20% of the company's paid-in capital or NT\$300 million, except for the following situations: <ol style="list-style-type: none"> (1) Trading of domestic government bonds. (2)Where done by professional investors—securities trading on securities exchanges or |

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| | <p>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 or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Transaction amount is calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The aggregate transaction amount related to the same counterpart being acquired or disposed in the same nature within one year. 3. The aggregate transaction amount related to the same real estate development plan acquired or disposed (accumulated acquisition and disposal amounts are calculated separately) within one year. 4. The aggregate transaction amount related to the same securities acquired or disposed (accumulated acquisition and disposal amounts are calculated separately) within one year. <p>"Within the preceding year" as used in the preceding paragraph 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.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company 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 FSC by the 10th day of each month.</p> <p>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.</p> <p>If the Regulations Governing the Acquisition and Disposal of Assets by Public Companies Article 30-1 regarding public announcement and filing of 20% of the paid-up capital or 10% of the total assets threshold does not apply to the subsidiary of the Company, due to the fact that the subsidiary is not a listed company, then the above mentioned threshold of the Company shall prevail.</p> <p>A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides</p> |
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| | otherwise. |
| Article 8 | <p>Investment Scope and Limits</p> <p>The Company and its subsidiaries are permitted to invest in non-operating real estate <u>and securities</u> in addition to the assets acquired for business use. The limits of the amount are as follows:</p> <ol style="list-style-type: none"> 1. The total amount of non-operating real estate shall not exceed 20% of the net value of the most recent financial statements of the Company. The total amount of non-operating real estate of individual subsidiaries shall not exceed 20% of the net value of the latest financial statements of the parent company. 2. The total amount of long-term and short-term securities shall not exceed 150% of the net value of the latest financial statements of the Company; the total amount of long-term and short-term securities of individual subsidiaries shall not exceed 150% of the net value of the latest financial statements of the parent company. 3. The limit for investing in individual securities shall not exceed 80% of the net value of the most recent financial statements of the Company; individual subsidiaries shall not exceed 80% of the net value of the latest financial statements of the parent company. |
| Article 9 | <p>Other matters</p> <ol style="list-style-type: none"> 1. If the real estate is acquired from affiliated parties, in addition to the construction contract, it shall, in accordance with the provisions of the “Guidelines for Handling Acquisition and Disposal of Assets by Public Companies” promulgated by the Securities and Futures Bureau of the Ministry of Finance, file and enclose relevant documents regarding the computed cost of the property and the audit opinions provided by certified public accountants with the Securities and Futures Bureau; plus, the evidence of approval from the board of directors, a record of recognition by the supervisor, the monthly forecast of the cash receipts and expenditures for the coming year beginning from the contracting month, and the necessity and the appropriateness of the use of the funds shall be duly presented to the Securities and Futures Bureau conjointly. 2. In addition, if the acquired or disposed assets meets the threshold for public announcement as stipulated in this Procedure, and the trading partner is a related party, the publicly announced information shall be disclosed in the financial statements and submitted to the shareholders' meeting. 3. The format and content of the announcement for the acquisition or disposal of the assets shall comply with the requirements outlined by the Securities and Futures Commission (88) Taiwan Financial Certificate (1) Letter No. 81769. If the appraisal agency issues a “Present Asset Valuation Report” or “Estimated Value Report” in place of the Appraisal Report, the reports shall comply with the requirements of the letter. 4. The subsidiary of the Public Company shall adopt these Procedures in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Securities and Futures Bureau of the Ministry of Finance as of February 13, 2012. The Company shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where another act provides otherwise, the provisions of such act shall govern. 5. If a subsidiary of the Company is not a listed company, and in the event that the acquired or disposed assets reaches the threshold for public announcement and filing as stated in the procedure, the subsidiary shall notify the Company in order to announce, file, and deliver a copy of relevant information within two days from the Date of the Event. 6. After obtaining approval from the board of directors meeting, the operation procedure |

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| | <p>shall be presented to the supervisors, then discussed and ratified at the shareholders' meeting. If the directors should express dissent and produces a record or written statement against the procedures, the relevant information shall be sent to the supervisors and reported to the shareholders meeting for discussion. Opinions of the independent directors shall also be taken into full consideration by including clear explanations and reasons of their opinions in the minutes of the board of directors meeting.</p> <p>This paragraph applies to any future amendments.</p> <p>7. When relevant personnel violate the provisions of this procedure, they shall be punished or removed from their position by order of the competent authority and the company.</p> |
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Gemtek Technology Co., Ltd.
Shareholdings of the Board of Directors
Book Closure Date: April 11, 2022

| Position | Name | Shareholdings | | Remark |
|--------------------------------|---|------------------|--------------------|----------------------|
| | | Number of Shares | Shareholding Ratio | |
| Chairperson of the Board | Hong-wen Chen | 7,307,937 | 1.80 % | |
| Director | Lee-heng Investment Limited Representative: Wen-yi Luo | 1,375,000 | 0.34 % | |
| Director | Cheng-ren Yang | 1,421,269 | 0.35 % | |
| Director | Fu-zan Tsai | 1,887,732 | 0.47 % | |
| Director | Jong-hui Hsu | 1,304,927 | 0.32 % | |
| Director | Yue-ji Chang | 3,000,715 | 0.74 % | |
| Director | Yao-geng Zhao | - | - | Independent Director |
| Director | Zhu-san Wang | - | - | Independent Director |
| Director | Chih-Yang Chang | - | - | Independent Director |
| Total Shares Held by Directors | | 16,297,580 | 4.02 % | |

Note: As of April 11, 2022, the total number of issued shares is 405,158,977 common shares.
The total number of statutory shares held by all directors is 16,206,359 shares.