Metatech (AP) Inc.

Minutes for 2020 Annual Meeting of Shareholders

Meeting Time: 9:00 A.M. (Tuesday) June 30, 2020

Meeting Place: 4F, No. 128, Sec. 1, DaTong Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.)(4F HuaMei Hall, FuShin Hotel)

Number of shares attended: The total number of shares issued by the Company was 58,016,045 shares, the total number of shares attended was 33,603,421 shares (among them, 3,327,033 shares, accounting for 5.73% of the total number of shares issued, participated in the voting by the electronic way), the number of shares attended accounted for 57.92% of the total number of shares issued, has reached the statutory number of meeting shares.

Attending directors:

Independent Director, Wang, Wen Zhu,

Director, Wang, Hui Jun,

Director, Wu, Zhen Long,

Director, Hu Li San,

Director, Tang Hung De,

Director, Zhao Hong Zhang

Other in attendance:

Lawyer, Chen, Yi Fei of Tsanya Law Firm,

Accountant, Xu, Ming Chuan of PricewaterhouseCoopers Taiwan,

Assistant General Manager, Liu, Heng Yu of Biomedical Affair Office,

General Manager, Chan, Chih Tsung of Finance Office**I.**

Chairman: Director, Hu, Li San

Minutes taker: Xie, Xiu Min

Statement by the Chairman: (omitted)

Management Presentation:

Report No. 1

Proposal: 2019 Annual Business Report, please check.

Explanation: For the Company's 2019 Annual Business Report, please refer to Appendix I.

The case was received and known by the Chairman for consultation with all shareholders.

Report No. 2

Proposal: Audit Committee's Review Report on the 2019 Financial Statements, please check.

Explanation: The Company's 2019 annual individual financial statements and consolidated financial statements have been verified by the certified public accountant and issued by the Audit Committee. Please refer to Appendix II.

The case was received and known by the Chairman for consultation with all shareholders.

Report No. 3

Proposal: The 2017 Cash Capital Increase Implementation Situation, please check.

Explanation: 1. The proposal for a cash injection of the Company in 2017 was submitted to the Financial Supervisory Committee on October 13, 2017, and the letter of the certificate which was issued by the Financial Supervisory Committee No. 1060036940 was effective on the case. At a total of NTD 36 per share, 14,000,000 new shares were issued in cash injection, and a total of NTD 504,000,000 was raised. The full amount of the shares was collected on January 16, 2018, and they were listed on the counter trading market on January 19, 2018. On the other hand, on January 29, 2018, the letter of the certificate was approved by the letter No. 107010110990, and the amount of paid-up capital after the change was NTD 580,160,450.

2. According to the relevant correspondence of the competent authority, report the status of cash injection of the Company in 2017 to the shareholders' meeting. As of the first quarter of 2020, the 2017 cash capital increase implementation situation, please refer to Appendix IV.

The case was received and known by the Chairman for consultation with all shareholders.

Report No. 4

Proposal: The Status of Issue of the third Domestic Secured Convertible Corporate Bonds in 2018, please check.

Explanation: 1. The Company has issued the third domestic secured convertible corporate bonds in 2018. The letter of the certificate which was issued by the Financial Supervisory Committee No. 1070345294 has been approved on December 14, 2018, was effective on the case. The number of issued shares is 1,500, and each denomination is NTD 100,000. The issue price is issued at 100%~101% of the face value. The total amount of the raised amount is NTD 151,500,000. The full amount of the shares was collected on January 7, 2019, and was listed on the counter market on January 9, 2019.

2. According to the relevant correspondence requirements of the competent authority, the status of the third domestic secured convertible corporate bonds issued in 2018 has to be reported to the shareholders' meeting. As of the second quarter of 2019, the funds have been fully utilized, please refer to Appendix V.

The case was received and known by the Chairman for consultation with all shareholders.

Report No. 5 Proposal of the Board of Directors

Proposal: Amendments to the Articles of Ethical Corporate Management Best Practice Principles of the Group, please check.

Explanation: In order to meet the needs of the Company's practical operation, the contents of the Group's Articles of ethical corporate management best practice principles have been amended, please refer to Appendix VI.

The case was received and known by the Chairman for consultation with all shareholders.

II. Proposals Matters:

Report No. 1 Proposal of the Board of Directors

Proposal: The Company's 2019 Business Report, Individual Financial Statements and Consolidated Financial Statements have been submitted for confirmation.

Explanation: 1. The Company's 2019 Individual Financial Statements and the Consolidated Financial Statements have been audited by the accountants, Xu, Ming Chuan, and Zhi, Bing Jun of PricewaterhouseCoopers Taiwan.

2. The Company's 2019 Individual Financial Statements and Consolidated Financial Statements have been approved by the Board of Directors and reviewed by the Audit Committee and issued the Review Report. They were submitted for approval following the law.

3. Please refer to Appendix I and Appendix III for each statement.

Resolution: The result of the voting was as follows: the total number of shares attended was 33,603,421 shares, and the weight of the approval was 98.74% of the voting rights of the shareholders attended at the time of voting.

Result after voting	% of the voting rights of shareholders attended
Approval votes: 33,180,938 rights (including electronic voting: 2,904,550 rights)	98.74%
Disapproval votes: 475 rights (including electronic voting: 475 rights)	0.00%
Invalid votes: 0 rights (including electronic voting: 0 rights)	0.00%

Abstention votes/no votes: 422,008 rights (including electronic voting: 422,008 rights)	1.26%

The case was approved after voting.

Report No. 2 Proposal of the Board of Directors

Proposal: Proposal for 2019 Deficit Compensation, please check.

Explanation: 1. The Company's net profit after tax of 2019 was NTD 92,695,002, the accumulated loss was NTD 206,808,216, and Statements of Deficit Compensated was as below:

MetaTech (AP) Inc.

2019 Deficit Compensation Statement

Unit: NTD/$

Entry	Amount
The beginning of accumulated profit or loss	(114,567,429)
Net profit after tax of 2019	(92,695,002)
Other comprehensive profit and loss for the current period	454,215
An accumulated loss at the end of the period	(206,808,216)

Resolution: The result of the voting was as follows: the total number of shares attended was 33,603,421 shares, and the weight of the approval was 98.74% of the voting rights of the shareholders attended at the time of voting.

Result after voting	% of the voting rights of shareholders attended
Approval votes: 33,181,077 rights (including electronic voting: 2,904,689 rights)	98.74%
Disapproval votes: 488 rights (including electronic voting: 488 rights)	0.00%
Invalid votes: 0 rights (including electronic voting: 0 rights)	0.00%
Abstention votes/no votes: 421,856 rights (including electronic voting: 421,856 rights)	1.26%

The case was approved after voting.

III. Discussion Matters:

Report No. 1 Proposal of the Board of Directors

Proposal: Proposal for lifting the Directors' non-compete of the Company, please proceed to discuss.

Explanation: 1. In accordance with the Article 209 of the Company Law, "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. Due consideration of the directors of the investment company or other business conduct and management of the same or similar to the Company's business scope of the company, to be proposed to the shareholders can agree to release the prohibition on individual directors of the

Company from participation in competitive business until the expiration of the eighth term.

3. For the directors of the Company, the details of the proposal of release the prohibition on directors of the Company from participation in competitive business are as follows:

Elected title	Name	Company of part-time position/Position
Corporate Representative of Directors	Bei De Bi XiuInvestment Co., Ltd Representative: Wang, Hui Jun	• Independent Director of Standard Chem & Pharm CO., LTD. • Independent Director of Lin BioScience, Inc. • The representative of Up Cell Biomedical Inc. • Visiting Chair Professor of Biomedical Translation Research Center, Academia Sinica
Corporate Representative of Directors	National Development Fund, Executive Yuan Representative: He, Hong Neng	• Vice-Chairman of Up Cell Biomedical Inc.
Corporate Representative of Directors	Dajun Investment Co., Ltd. Representative: Yang, Zhi Hui	• Executive Specialist of Up Cell Biomedical Inc.

Resolution: The result of the voting was as follows: the total number of shares attended was 33,603,421 shares, and the weight of the approval was 98.71% of the voting rights of the shareholders attended at the time of voting.

Result after voting	% of the voting rights of shareholders attended
Approval votes: 33,171,072 rights (including electronic voting: 2,894,684 rights)	98.71%

Disapproval votes: 10,493 rights (including electronic voting: 10,493 rights)	0.03%
Invalid votes: 0 rights (including electronic voting: 0 rights)	0.00%
Abstention votes/no votes: 421,856 rights (including electronic voting: 421,856 rights)	1.26%

The case was approved after voting.

Report No. 2 Proposal of the Board of Directors

Proposal: Proposal for issuing common shares with a private capital increase, please proceed to discuss.

Explanation: 1. To enrich working capital, future development capital demand and introducing strategic investors, the Company plans to conduct private cash capital increase and issuance of common shares in accordance with Article 43-6 of the Securities Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", and to handle it three times within one year from the date of the resolution of the shareholders' meeting.

2. The number of shares to be privately placed is NTD 10 per share within the limit of 8,000,000 common shares; the total amount of private placement is calculated according to the final private placement price.

3. According to Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", the following provisions are made:

(a) The basis and rationality of private equity pricing:

The private equity price shall be calculated based on not less than (1) the simple average closing price of the common shares of the TWSE listed or TPEx listed 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. (2) or the simple average closing price of the common shares of the TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. It shall be calculated by 80% of the higher price in the two above-mentioned. The actual pricing date and the actual private placement price shall be within the range of not less than the resolution of the shareholders' meeting to authorize the board of directors to decide on the situation of specific persons and market conditions in the future. The pricing of this private equity common stock is determined in accordance with the relevant regulations of the competent authority, and it is determined after taking into consideration factors such as the Company's operating conditions and the prospects. The method for its preparation is still reasonable, and it will not have a significant impact on shareholders' rights.

(b) The selection method of private placement:

Selection method of the specific person: the objects of this private placement of common shares are those who meet the requirements of Article 43-6 of the Securities and Exchange Act and the relevant regulations. Currently, there are no agreed candidates.

(A) List of placees, such as insiders and relationships:

Placees	Selection Method	Purpose	Relationships
Bei De Bi Xiu Investment Co., Ltd	In accordance with Article 43-6 of the Securities and Exchange Act	Consider their knowledge of the Company's operations and financial situation.	Corporate Director of the Company
Jun Investment International Co., Ltd	In accordance with Article 43-6 of the Securities and Exchange Act	Consider their knowledge of the Company's operations and financial situation.	Corporate Director of the Company

Corporate Placees	Major shareholders of corporate shareholders		Relationships
	Name of shareholders	Shareholding ratio	
Bei De Bi Xiu Investment Co., Ltd	He, Rou Xian	98.33%	Major shareholder
	Chen, Zong Ji	1.67%	Representative
Bei De Bi Xiu Investment Co., Ltd	Wu, Zhen Long	68.00%	Representative
	Wu, Jun Yi	16.00%	Supervisor
	Wu, Yi Qi	16.00%	Director

(B) If the placees are strategic investors:

A. The way and purpose for selecting the placees: when strategic investors are introduced in this private placement, all management and financial resources necessary for the operation of the Company are considered, and the competitive advantage of the Company is enhanced.

B. Necessity: it is necessary to consider the transfer restrictions of private securities to ensure the long-term cooperation between the Company and strategic investors.

C. Expected benefits: the introduction of strategic investors and their funds can not only improve the financial structure of the Company and enrich the working capital and future development capital demand, to maintain and strengthen the market competitiveness, but also contribute positively to the Company's operation and shareholders' equity.

(3) The need for private placement and expected benefits:

(A) Reasons for not soliciting public offerings: The Company is not easy to grasp the actual financing market conditions, in order to enrich working capital, introduce strategic investors, and consider the characteristics of rapid and simple private equity, and the restrictions on the transfer of private equity securities can ensure long-term cooperation with strategic investors, strengthen the stability of the Company's operations, it will apply for private equity to increase capital.

(B) The use of capital for this private placement and its expected benefits: The purpose of allocating funds in three rounds of the private placement is to enrich the working capital and future development fund requirements. It is expected that the financial structure will be improved, the Company’s financial operating risk will be reduced, and the need for future operations will be met. It helps the Company's business growth and has positive and substantial benefits to the company's shareholders' equity.

(C) There was no major change in the operating rights in the previous year when the board of directors handled private equity, and after the introduction of a strategic investor in this private placement, no major changes in the operating rights will occur.

4. The rights and obligations of these private equity shares: the rights and obligations of the new shares issued in this private equity common equity case are the same as the original shares, but according to Article 43-8 of the Securities Exchange Act, the private equity ordinary shares shall not be freely transferred within three years after delivery, except in the specific circumstances as provided for in the ordinance. After three years from the date of delivery, the authorized board of directors may apply to the competent authority to apply for the listing of the private equity securities in accordance with relevant laws and regulations.

5. The main contents of these private equity shares include the actual amount of issuance, issuance conditions, project items, actual situations of private placements, and other outstanding issues, in addition to the pricing of private placements. In the event of amendments or amendments by the statute or required by the competent authority and based on the operational assessment or the objective environment, if any changes or amendments are required, it is proposed that the shareholders' meeting be authorized to authorize the board of directors to fully handle the matter.

Resolution: The result of the voting was as follows: the total number of shares attended was 33,603,421 shares, and the weight of the approval was 98.71% of the voting rights of the shareholders attended at the time of voting.

Result after voting	% of the voting rights of shareholders attended
Approval votes: 33,171,076 rights (including electronic voting: 2,894,688 rights)	98.71%
Disapproval votes: 10,489 rights (including electronic voting: 10,489 rights)	0.03%
Invalid votes: 0 rights (including electronic voting: 0 rights)	0.00%
Abstention votes/no votes: 421,856 rights (including electronic voting: 421,856 rights)	1.26%

The case was approved after voting.

The case was supplemented by a letter from Securities and Futures Investors Protection Center on May 15, 2020, requesting a supplementary explanation. The Company has responded with MetaTech No. 109035 on May 21, 2020, and explained to shareholders on June 30, 2020, and it is stated in the minutes. The excerpt from the letter is as follows:

Note: The following reply is based on the original letter number:

(A) The balance of cash and cash equivalents in the Individual Financial Statements of 2019 is NTD 132,109 thousand, which includes about NTD 61,000 thousand of special funds for cash capital increase in 2017, and about NTD 87,000 thousand of net cash outflow from operating activities. The balance of movable expenses is limited. The Company's short-term loan has increased from NTD 20,000 thousand on December 31, 2019, to NTD 50,000 thousand in the first quarter of 2020. Therefore, in order to enrich working capital, expand business investment, develop capital demand in the future, reduce the Company's financial operation risk and meet the needs of future operations, it is necessary to raise private capital. This private placement is handled within a quota of no more than 8,000,000 shares. If the maximum amount of approximately NTD 320 million can be raised based on the current share price conversion, the number of private placement shares is still reasonable.

(B) This private placement is planned to be handled in cash, and the public information is mistakenly planted as a non-cash method, and the Company has handled the information correction of the Market Observation Post System.

(C) If this private placement is an insider or a related party, it shall be handled in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act, considering that it has a better understanding of the Company's operations and financial situation. The public information does not specify the applicant’s choice for insiders or related parties, and the Company has handled the information correction of the Market Observation Post System.

(D) In order to enrich the working capital, meet the needs of future development funds and introduce strategic investors, the Company plans to conduct private cash capital increase and issue common shares in accordance with the provisions of Article 43-6 of the Securities and Exchange Act and the provisions of the "Directions for Public Companies Conducting Private Placements of Securities", and handle it three times within one year from the date of the resolution of the shareholders' meeting. The purposes of the first-third private placement funds are to enrich working capital, expand business investment, and fund demand for future development. The expected benefits of the first-third private placement funds are expected to improve the financial structure, reduce the Company's financial operation risk and meet the needs of future operations, which will help the Company's business growth and positively and substantially help the Company's shareholders' equity. The Company has handled the information correction of the Market Observation Post System.

(E) Therefore, after the evaluation of the Company, there is no significant change in the operation right of the Company.

IV. In order to protect the rights and interests of shareholders, the company will, in accordance with

Article 26-1 of the Securities and Exchange Act, referred to Article 209, paragraph 1 of the Company Act, which will lift the company's directors' competition restrictions shall be recorded in the minutes of the meeting, and the duties of the director who has lifted the competition restrictions and the main business contents of the company shall be explained at the regular meeting of shareholders for the benefit of all shareholders. 。

V. Other Matters and Questions and Motions: None.

VI. Adjournment: After the Chairman inquired that there was no other provisional motion from the shareholders attended, the Chairman announced the adjournment of the meeting.

Chairman: Hu Li San

Minutes taker: Xie, Xiu Min

Appendix I： 2019 Business Report

2019 Operating status report

I . 2019 business results

(A) 2019 Business Plan Implementation Results

In 2019, the consolidated revenue was NTD 1,412,575 thousand, a decrease of NTD 47,715 thousand compared with the year of 2018 NTD 1,460,290 thousand, down of 3.27%; the net profit after tax for 2019 is NTD 92,695 thousand, compared with the net loss after tax of NTD 57,744 thousand in 2018, and the net loss increased by NTD 34,951 thousand. The loss per share after tax was $1.60.

(B) Financial revenue and expenditure and profitability analysis

1 . In 2019, the consolidated revenue was NTD1,412,575 thousand. Compared with the same period of last year, the impact of the main trade war has been reduced and China's revenue has declined; The increase in operating expenses in 2019 compared with the same period of last year mainly affected the recognition of employee stock option expenses and the development of regenerative medicine to increase operating expenses in the current period, which increased the current loss.

2 . The relevant financial ratios are as follows:

Entry	2019	2018
Current Ratio%	340.22	401.05
Quick Ratio%	298.62	347.37
Liabilities to Assets Ratio%	33.29	18.14
Fixed Assets to Permanent Capital %	574.37	612.15
ROE %	(8.93)	(6.91)
Paid-up Capital to Business Interests %	(19.94)	(14.07)
Paid-up Capital to Income Before Tax %	(20.47)	(11.29)
Net Profit (Loss) Ratio %	(6.56)	(3.95)
Earnings Per Share (NT$) after retrospect	(1.60)	(1.01)

The analysis and calculation formula of the financial ratio should be disclosed in the paragraph "Financial Analysis" of the 2019 Annual Report.

(C) Overview of Technology and R&D

1 . Electronic Department:

(1) Strengthening the replacement of the product portfolio, and continuing to cooperate with international manufacturers and product agents to market the leading electronic components and technology products to meet the needs of customers.

(2) Providing customers with a complete design portfolio to save customers' R&D expenses, thereby improving service standards, strengthening the Company's cooperation with customers, and enabling the company's operations to continue to grow.

2 . Biomedical Department:

(1) Introduction to technology sources: Since April 24, 2017, Metatech has signed a cooperation contract with CellSeed Inc. of Japan on regenerative medicine. It plans to develop and produce autologous cell layers and develop "Regenerative Medicine". According to "Global Regenerative Medicine Market Analysis & Forecast to 2023; Stem Cells, Tissue Engineering, BioBanking & CAR-T Industries" of "Research and Markets" reported and pointed out that the global regenerative medicine market in 2018 is worth 28 billion US dollars, and it is estimated that by 2023 growing to more than 81 billion US dollars, its compound annual growth rate (Compound Annual Growth Rate, CAGR) is 23.3%. Metatech is the pioneer in the development of the biomedical industry. It cooperates with CellSeed Inc. of Japan, the pioneer of regenerative medicine in Japan, to introduce the first "regenerative medicine" technology transfer project in Taiwan and Japan - "cell layer" culture technology, to develop "esophagus and cartilage regenerative medical technology", to join hands to attack the vigorous but still unsatisfied demand of Asian regenerative medical market, and to form alliances with Taiwan medical institution together, to launch a new treatment plan. Esophageal oral mucosal epithelial cell layer products are used in the repair of esophageal cancer patients after endoscopic submucosal dissection (ESD), which can reduce the proliferation of healing tissue and maintain the esophageal lumen space, compared with traditional drugs and balloon expansion treatment can effectively avoid the symptoms of esophageal stenosis. The current clinical trial application has successfully accepted the technology and quality of Japanese technology transfer. As planned, it obtained TFDA approval on August 8, 2019, at E-Da Hospital, E-Da Cancer Hospital and National Taiwan University Hospital perform Phase III clinical trials, fully demonstrating Metatech's seriousness and determination in the field of regenerative medicine.

(2) Since 2019, Metatech Biomedical has successively filed applications for autologous chondrocyte therapy technology plan with E-Da Hospital, Taipei Medical University Hospital, Kaohsiung Veterans General Hospital, and Hualien Tzu Chi Hospital according to "Specific Cellular Therapeutic Technology". On December 18, 2019, the application for the implementation of E-Da Hospital was reviewed and approved. It is expected that the first half of 2020 will begin to benefit some 50,000 patients who need artificial joint replacement every year in Taiwan.

(3) In addition to the above-mentioned layered culture technology, the autologous fibroblast transplantation technology is also developed on this cornerstone, which is used to fill and repair skin defects-wrinkles, cavities, and scars. In 2019, they jointly filed applications for the implementation of cell therapy with Tri-Service General Hospital, E-Da Hospital, and Taipei Medical University Hospital under "Specific Cellular Therapeutic Technology". Metatech Biomedical Laboratory is also evaluating the development of other popular cell therapy products that are expected to optimize the manufacturing process of existing products in order to increase the depth and breadth of the product line.

(4) The opening of the processing center: In January 2019, the construction of the largest cell layer operation room in China was completed in Oriental Science Park. In addition to providing more capacity for regenerative medical products, the center also set up the industry's only quality control experiment The room is responsible for the quality control process of cell slices, which can effectively control the time and cost control. In addition to the internal use of the quality control center, the quality control related business will be promoted in the future to increase the Company's revenue. In order to allow the legal listing of cell products and conduct clinical trials in hospitals, Taiwan ’s competent authority has strict regulations regarding the inspection of Cell Processing Unit (CPU) for cell therapy technologies and cell product manufacturing sites for clinical trials, both manufacturers and manufacturing units must Only by checking compliance with the relevant standards of Good Tissue Practice (GTP) then can start the case or perform cell therapy. Metatech Biomedical has been inspected by the TFDA five times in 2019. Among them, the knee cartilage layer of Specific Cellular Therapeutic Technology has been qualified for CPU, and the phase III clinical trial of the human oral mucosal epithelial cell layer is also approved. Besides, to develop the CDMO of cell products and have the ability to accept orders from major domestic and foreign manufacturers, it is imperative to start upgrading the hardware and software of the Sangu Biomedical Cell Preparation Center to the PIC / S GMP level. Therefore, Metatech particularly invites the relevant personnel of the Hitachi Chemical Quality Assurance Division and Life Science Division, as well as the experts (PMDA) experts (GMP inspectors) of the former independent administrative legal entity Pharmaceutical and Medical Machines (PMDA) from December 2019 to Metatech Company to The Cell Preparation Center (CPC) of Xizhi city, conducted analysis and interviews on the gaps in upgrading to GMP. Afterward, Hitachi Chemical also submitted a formal written analysis report to Metatech. The report acknowledged Metatech ’s investment and efforts in various aspects of CPC, and no major defects were found.

(5) In order to continuously expand the medical application of cell layer technology and strengthen authorized technical cooperation to implement the geo-localization of the cell layer, Metatech Company and CellSeed Inc. of Japan on January 30, 2020, jointly established Up Cell Biomedical Inc. as a research and development company; The company is expected to supply Metatech's layer technology. In addition to Metatech's layer technology, the Up Cell Biomedical Inc. program includes new product introductions, clinical trial evaluation and execution, technical commoditization and patent applications, and then entrusts Metatech to manufacture on a commission basis. The first project the company expects to develop is the neural cell layer, which works with Dr. Yuan Kun, Tu, Dean of E-DA Hospital, for brachial plexus and spinal injury.

Appendix I：2020 Overview of Operation Plan

(A) Operating strategy

1 . Electronic Department:

(1) Electronic components and components that are based on high added value and niche products.
(2) Rooted in Taiwan, deep-growing the mainland and Southeast Asia and India marketing network, combined with the resources of Greater China and Asian countries to create multiplied profits and values.
(3) Continue to adjust to expand niche and provide customers with more complete solutions.
(4) Looking at existing product lines, we seek customers in the Blue Ocean market and at the same time increase customer satisfaction, and become long-term partners. And actively introduce existing sales channels for Internet of Things-related parts products in order to pursue continuous growth of operations.
(5) Actively introduce and cultivate talents, improve technical support and product application capabilities.
(6) Provide differentiated services and technology integration to meet customer needs in order to maximize profit.

2 ·Biomedical Department:

In the early days of operation, Metatech introduced CellSeed Inc. of Japan's cell layer culture technology to develop its main products, but Metatech was not satisfied with the current situation and did not set its own limits. In order to imitate innovation (Simulating Innovation) strategy, adhere to the extension of cell layer culture technology Development and marketization will use the original technology to break through key core technologies and continue to introduce and learn the world's advanced scientific and technological achievements. Metatech sets a milestone for future development: In order to accelerate the global cooperation and development of regenerative medicine, Metatech Biomedical plans to cooperate with Taiwan Hitachi Asia Pacific Co., Ltd. and Hitachi Chemical work together to plan a cell factory in compliance with PIC / S (The Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme) GMP (Good Manufacturing Practices) specifications at Hsinchu Biomedical Science Park, and introduce automation The production system provides OEM services for cellular products, and introduces the assistance of AI to make production predictions and fine-tuning processes according to customer needs, providing the safest and highest quality cellular product services for domestic and abroad customers.

(B) Important sales policy

1 . Electronic

To strengthen the promotion of the application of products in the cloud market (server, savings equipment, high-level commercial switch), wireless communication (router, 5G routers), industrial control (industrial switch, railway communication equipment), medical equipment, automotive electronics (electric vehicle electronic equipment), tool and machine equipment market, semiconductor test equipment market products and other high-level markets.

Due to the impact of the COVID-19 outbreak, in the first half of the year, suppliers are faced with the problem of insufficient raw materials, and the delivery period is expected to be extended to 2-6 weeks. Due to the extension of the delivery period and the shortage of staff rework, the overall customer delivery speed and response will slow down.

2 . Biomedical

Metatech Company is actively cooperating with major hospitals in the north, central, and south. Currently, it has negotiated cooperation plans with 13 hospitals including E-Da Hospital, Tri-Service General Hospital, Tzu Chi Hospital, and Taipei Medical University Hospital. The law will help the company's revenue; in the field of wound repair, skin and cartilage treatment after esophageal cancer surgery, it is hoped that through the early screening and other cooperative channels, the subsidiary Jianhua Travel Agency Co., Ltd. will undertake the referral of medical patients to Taiwan for international medical patient arrangements include comprehensive planning and services such as visas, itineraries, accommodation and travel, complete the relevant regulations that international medical must follow, and increase the company's revenue.

In the face of the changes and challenges of the environment both at home and abroad, I hope all shareholders continue giving advices and supports, and believe that under the multi-faceted management and efforts in the future, the Company's business will grow steadily and create a better future for the Company of revenue, let shareholders, customers and employees share operating results.

Finally, thank for your support, trust and encouragement from the shareholders again.

Wish you have a good health and a good luck

Chairman: Hu Li San   Manager: Tang Hung Te   Account Manager: Chan Chih Tsung

Appendix II：2019 Audit Committee’s Review Report

MetaTech (AP) Inc.
Audit Committee’s Review Report

The board of directors prepared the 2019 annual Company's individual financial statements and consolidated financial statements of the Company, they have been audited by the accountants Xu Ming Chuan and Zhi Bing Jun of PricewaterhouseCoopers Taiwan, and submitted a check report, and the audit committee completed checking the business report and the proposal of statements of deficit compensated, and considered that they are in line with the relevant laws and regulations of the Company Law, and are required to verify the report in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law.
Sincerely

MetaTech (AP) Inc.
2020 Annual Meeting of Shareholders
Audit Committee convener：Wu Rong Yi

March 27, 2020

Appendix III：2019 Accountants' Review Report and Financial Statements

To the Board of Directors and shareholders of Metatech (AP) Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Metatech (AP) Inc. (the "Company") as at December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Metatech (AP) Inc. as at December 31, 2019 and 2018, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2019 in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants", "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020" and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and ROC GAAS for our audit of the parent company only financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Appropriateness of warehouse operating revenue cut-off

Description

For a description of accounting policy on revenue recognition, please refer to Note 4(29). For critical judgements in applying accounting policies, please refer to Note 5(1). For details of operating revenue, please refer to Note 6(17).

The Company has two delivery types for sales of goods: factory direct shipment and hub warehouse sales. In accordance with IFRS 15 'Revenue from contracts with customers' as endorsed by the Financial Supervisory Commission, assets are transferred when customers obtain control of that assets. Revenue is recognised when the Company transferred promised goods to customers and the performance obligation is satisfied. The Company's warehouses are located in Shanghai, a consignee obtains control of the assets when a consignee picks up the goods, but the timing of assets transfer is not fixed and management recognised revenue based on the reports of inventory movement provided by hub custodians. As the information process, recording and maintenance of the reports were done manually it may lead to improper revenue recognition or the discrepancy between physical inventory quantities in the hubs and quantities in accounting record. Moreover, since transaction amounts before and after the balance sheet date are significant to the financial statements, we determined the appropriateness of warehouse operating revenue cut-off as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on appropriateness of warehouse operating revenue cut-off:

1. Based on our understanding of the Company's business and industry, we assessed the reasonableness of warehouse operating revenue recognition policies and procedures and confirmed that these were consistently applied in the financial statements.
2. Understand the warehouses' process of collection, management and shipping, assessed and tested relevant internal controls, including randomly checking the product name, quantity and amount in the reports provided by hub custodian were in agreement with pick-up details and information on sales vouchers and confirmed that revenue from inventory movement are recognised in the correct reporting periods.
3. Performed cut-off tests on warehouse operating sales transactions that took place shortly before and after the balance sheet date, including verifying pick-up details provided by hub custodian are in agreement with the product name and quantity of inventory movement records and sales revenue amount, and are recognised in the correct reporting periods.
4. Performed confirmation for stock quantities at the warehouse and verified it against the system and accounting records.

Realisability of deferred tax assets

Description

For a description of the accounting policy on income tax, please refer to Note 4(26); for accounting estimates and assumption uncertainty in relation to income tax, please refer to Note 5(2); and for details of income tax, please refer to Note 6(21).

The Company's deferred tax assets amounted to $74, 542 thousand as at December 31, 2019. The evaluation of the realisability of deferred tax assets involved the future operation plan which was proposed by management to determine whether there is sufficient taxable income, including the estimated assumptions in forecasting market demand, economic conditions, revenue growth rate and cost considerations, etc. Since the abovementioned assumptions involved critical accounting judgement made by management, and has a high degree of uncertainty, we determined the realisability of deferred income tax assets as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on realisability of deferred tax assets:

1. Obtained an understanding of the Company's operation and industry nature, evaluated the reasonableness of future operation plan which was proposed by management, including preparation working flow of operation plan and assessed the operation plan whether it is consistent with the content which was approved by the management.
2. Inquired with management on the content of operation plan and assessed the performance intention and ability.
3. Examined the assumptions used by the management on future operation plan in determining the growth in revenue, cost and expense, compared the assumptions with historical data and information of economic and industry forecasting and further assessed the reasonableness of estimated future realisable taxable income.

4. Assessed the sensitivity analysis that was performed by management under different estimated net income completion percentage and confirmed that management has taken into account the effects of estimate uncertainty on future taxable income properly.

Valuation of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventory valuation, please refer to Note 4(11); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2); and for information on the allowance for inventory valuation losses, please refer to Note 6(4).

The Company's inventories and allowance for inventory valuation losses amounted to $34,441 thousand and $1,207 thousand, respectively, as at December 31, 2019. The Company is an agent of semiconductor components which is primarily engaged in sales of niche products and agent of consumer products, communications and connectors. As the agent products are in a small-volume, large-variety production, facing highly competitive nature of the market price and having a short life cycle, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Company recognises inventories at the lower of cost and net realisable value. The assessment of the allowance for inventory valuation losses, including the identification of obsolete inventory and determination of net realisable value, often involves subjective judgement and a high degree of uncertainty. Considering the material effect of inventory and its allowance for valuation losses on the parent company only financial statements, we determined the valuation of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on valuation of allowance for inventory valuation losses:

1. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the operations and the characteristics of its industry.
2. Understood the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Tested the accuracy of obsolete inventory aging report assessed using the individual assessment by the management, including confirming that the inventory movement is within the appropriate age range.
4. Reviewed the appropriateness of the estimation basis for the evaluation of net realisable value, randomly checked supporting documents of product sales and purchases and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

In preparing the parent company only 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 committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Hsu, Ming-Chuan Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan
March 27, 2020

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MetaTech

METATECH(AP) INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 132,109	9	$ 278,446	23
1136	Current financial assets at amortised cost	6(2) and 8	12,204	1	10,062	1
1150	Notes receivable, net	6(3)	918	-	1,427	-
1170	Accounts receivable, net	6(3)	111,504	8	96,265	8
1180	Accounts receivable - related parties	7	-	-	182	-
1200	Other receivables		2,299	-	2,430	-
1210	Other receivables - related parties	7	22	-	8,095	1
1220	Current income tax assets		29	-	22	-
130X	Inventories	6(4)	33,234	2	32,492	3
1410	Prepayments		5,691	1	4,556	-
1470	Other current assets		237	-	398	-
11XX	**Current Assets**		298,247	21	434,375	36
	Non-current assets					
1550	Investments accounted for under equity method	6(5)	386,034	28	375,399	31
1600	Property, plant and equipment	6(6) and 8	221,835	16	175,887	15
1755	Right-of-use assets	6(7)	122,180	9	-	-
1780	Intangible assets	6(9)	258,627	18	136,975	11
1840	Deferred income tax assets	6(21)	74,542	5	42,943	4
1900	Other non-current assets	6(6)(8)(11)(24)	43,222	3	40,614	3
15XX	**Non-current assets**		1,106,440	79	771,818	64
1XXX	**Total assets**		$ 1,404,687	100	$ 1,206,193	100

(Continued)

METATECH(AP) INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings		$ 20,000	1	$ 20,000	2
2130	Current contract liabilities	6(17)	124	-	156	-
2150	Notes payable		324	-	1,377	-
2170	Accounts payable		79,278	6	70,475	6
2180	Accounts payable - related parties	7	239	-	415	-
2200	Other payables		12,082	1	25,158	2
2220	Other payables - related parties	7	151	-	124	-
2250	Provisions for liabilities - current	6(12)	4,433	-	4,433	-
2280	Current lease liabilities		11,806	1	-	-
2300	Other current liabilities		770	-	430	-
21XX	**Current Liabilities**		129,207	9	122,568	10
	Non-current liabilities					
2530	Corporate bonds payable	6(10)	144,861	10	-	-
2570	Deferred income tax liabilities	6(21)	14,259	1	10,736	1
2580	Non-current lease liabilities		112,002	8	-	-
2600	Other non-current liabilities		30	-	30	-
25XX	**Non-current liabilities**		271,152	19	10,766	1
2XXX	**Total Liabilities**		400,359	28	133,334	11
	Share capital	6(14)				
3110	Share capital - common stock		580,160	41	580,160	48
	Capital surplus	6(15)				
3200	Capital surplus		649,086	47	618,263	51
	Retained earnings	6(16)				
3350	Accumulated deficit		(206,808)	(15)	(114,567)	(9)
	Other equity interest					
3400	Other equity interest		(18,110)	(1)	(10,997)	(1)
3XXX	**Total equity**		1,004,328	72	1,072,859	89
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 1,404,687	100	$ 1,206,193	100

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

MetaTech

METATECH(AP) INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except loss per share)

			Year ended December 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(17) and 7	$ 455,905	100	$ 428,024	100
5000	**Operating costs**	6(4)(19) and 7	(415,510)	(91)	(382,030)	(89)
5950	**Net operating margin**		40,395	9	45,994	11
	Operating expenses	6(19)(20)				
6100	Selling expenses		(53,428)	(12)	(53,942)	(13)
6200	General and administrative expenses		(66,311)	(14)	(52,087)	(12)
6300	Research and development expenses		(57,560)	(13)	(38,143)	(9)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	1,645	-
6000	**Total operating expenses**		(177,299)	(39)	(142,527)	(34)
6900	**Operating loss**		(136,904)	(30)	(96,533)	(23)
	Non-operating revenue and expenses					
7010	Other income		1,512	1	10,380	2
7020	Other gains and losses	6(18)	1,114	-	7,103	2
7050	Finance costs		(4,355)	(1)	(44)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net		19,526	4	11,915	3
7000	**Total non-operating revenue and expenses**		17,797	4	29,354	7
7900	**Loss before income tax**		(119,107)	(26)	(67,179)	(16)
7950	Income tax benefit	6(21)	26,412	6	9,435	2
8200	**Loss for the year**		($ 92,695)	(20)	($ 57,744)	(14)
	Other comprehensive income (net)					
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(11)	$ 568	-	($ 1,671)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(114)	-	478	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		454	-	(1,193)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(8,891)	(2)	10,042	2
8399	Income tax relating to the components of other comprehensive income	6(21)	1,778	-	(1,400)	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(7,113)	(2)	8,642	2
8300	**Other comprehensive (loss) income for the year**		($ 6,659)	(2)	$ 7,449	2
8500	**Total comprehensive loss for the year**		($ 99,354)	(22)	($ 50,295)	(12)
	Basic loss per share	6(22)				
9750	**Total basic loss per share**		($ 1.60)		($ 1.01)	
9850	**Total diluted loss per share**		($ 1.60)		($ 1.01)	

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

METATECH(AP) INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars)

2018									
Balance at January 1, 2018		$ 440,160	$ 234,540	$ -	$ -	$ 84	($ 55,630)	($ 19,639)	$ 599,515
Loss for the year		-	-	-	-	-	(57,744)	-	(57,744)
Other comprehensive (loss) income		-	-	-	-	-	(1,193)	8,642	7,449
Total comprehensive (loss) income		-	-	-	-	-	(58,937)	8,642	(50,295)
Issuance of shares	6(14)	140,000	364,000	-	-	-	-	-	504,000
Share-based payments	6(13)	-	2,665	16,974	-	-	-	-	19,639
Balance at December 31, 2018		$ 580,160	$ 601,205	$ 16,974	$ -	$ 84	($ 114,567)	($ 10,997)	$ 1,072,859
2019									
Balance at January 1, 2019		$ 580,160	$ 601,205	$ 16,974	$ -	$ 84	($ 114,567)	($ 10,997)	$ 1,072,859
Loss for the year		-	-	-	-	-	(92,695)	-	(92,695)
Other comprehensive (loss) income		-	-	-	-	-	454	(7,113)	(6,659)
Total comprehensive loss		-	-	-	-	-	(92,241)	(7,113)	(99,354)
Share-based payments	6(13)	-	-	25,258	-	-	-	-	25,258
Due to recognition of equity component of convertible bonds issued	6(10)	-	-	-	5,565	-	-	-	5,565
Balance at December 31, 2019		$ 580,160	$ 601,205	$ 42,232	$ 5,565	$ 84	($ 206,808)	($ 18,110)	$ 1,004,328

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

METATECH(AP) INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 119,107)	($ 67,179)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right of use assets)	6(6)(7)(19)	27,701	5,842
Amortization expense	6(19)	367	552
Expected credit gain	6(3) and 12	-	(1,645)
Net loss on financial assets at fair value through profit or loss	6(18)	210	-
Interest expense		1,851	44
Interest expense of bonds discount amortization		2,503	-
Interest income		(322)	(489)
Share of profit of associates and joint ventures accounted for using equity method		(19,526)	(11,915)
Share based compensation cost	6(13)	25,258	19,639
Loss on disposal of property, plant and equipment	6(6)	-	24
Unrealized foreign exchange loss (gain)		2,853	(2,811)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		509	1,434
Accounts receivable		(15,239)	(9,564)
Accounts receivable - related parties		182	167
Other receivables		131	10,437
Other receivables - related parties		8,073	(4,564)
Inventories		(742)	(2,004)
Prepayments		(1,135)	(2,201)
Other current assets		161	(398)
Net defined benefit assets	6(11)	(20)	(47)
Changes in operating liabilities			
Contract liabilities		(32)	72
Notes payable		(1,053)	1,377
Accounts payable		8,803	21,550
Accounts payable - related parties		(176)	(233)
Other payables		(7,895)	12,176
Other payables - related parties		27	(498)
Other current liabilities		341	226
Other non-current liabilities		-	(3)
Cash outflow generated from operations		(86,277)	(30,011)
Interest received		322	489
Interest paid		(1,851)	(44)
Interest taxes paid		(7)	(22)
Net cash flows used in operating activities		(87,813)	(29,588)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost	6(2)	(2,142)	(2,108)
Acquisition of property, plant and equipment	6(6)(24)	(34,066)	(93,630)
Increase in refundable deposits		(197)	(232)
Increase in other non current assets		(33,978)	(32,137)
Acquisition of intangible assets	6(9)	(121,652)	(123,115)
Acquisition of investments accounted for using equity method		-	(2,000)
Net cash flows used in investing activities		(192,035)	(253,222)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short term borrowings	6(25)	35,000	40,000
Repayments of short term borrowings	6(25)	(35,000)	(20,000)
Proceeds from issuance of convertible bonds	6(25)	147,712	-
Repayment of principal portion of lease liabilities	6(7)(25)	(11,348)	-
Proceeds from issuance of shares	6(14)	-	504,000
Net cash flows from financing activities		136,364	524,000
Effect of exchange rate changes on cash and cash equivalents		(2,853)	2,811
Net (decrease) increase in cash and cash equivalents		(146,337)	244,001
Cash and cash equivalents at beginning of year	6(1)	278,446	34,445
Cash and cash equivalents at end of year	6(1)	$ 132,109	$ 278,446

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

To the Board of Directors and Shareholders of MetaTech (AP) Inc.

Opinion

We have audited the accompanying consolidated balance sheets of MetaTech (AP) Inc. and subsidiaries (the "Group") as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants", "Financial Supervisory Commission Order No. Financial-Supervisory-Securities-Auditing-1090360805 of February 25, 2020" and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and ROC GAAS for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Appropriateness of warehouse operating revenue cut-off

Description

For a description of accounting policy on revenue recognition, please refer to Note 4(29). For critical judgements in applying accounting policies, please refer to Note 5(1). For details of operating revenue, please refer to Note 6(16).

The Group has two delivery types for sales of goods: factory direct shipment and hub warehouse sales. In accordance with IFRS 15 'Revenue from contracts with customers' as endorsed by the Financial Supervisory Commission, assets are transferred when customers obtain control of that assets. Revenue is recognised when the Company transferred promised goods to customers and the performance obligation is satisfied. The Company's warehouses are located in Shanghai, a consignee obtains control of the assets when a consignee picks up the goods, but the timing of assets transfer is not fixed and management recognised revenue based on the reports of inventory movement provided by hub custodians. As the information process, recording and maintenance of the reports were done manually it may lead to improper revenue recognition or the discrepancy between physical inventory quantities in the hubs and quantities in accounting record. Moreover, since transaction amounts before and after the balance sheet date are significant to the financial statements, we determined the appropriateness of warehouse operating revenue cut-off as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on appropriateness of warehouse operating revenue cut-off:

1. Based on our understanding of the Company's business and industry, we assessed the reasonableness of warehouse operating revenue recognition policies and procedures and confirmed that these were consistently applied in the financial statements.
2. Understand the warehouses' process of collection, management and shipping, assessed and tested relevant internal controls, including randomly checking the product name, quantity and amount in the reports provided by hub custodian were in agreement with pick-up details and information on sales vouchers and confirmed that revenue from inventory movement are recognised in the correct reporting periods.
3. Performed cut-off tests on warehouse operating sales transactions that took place shortly before and after the balance sheet date, including verifying pick-up details provided by hub custodian are in agreement with the product name and quantity of inventory movement records and sales revenue amount, and are recognised in the correct reporting periods.
4. Performed confirmation for stock quantities at the warehouse and verified it against the system and accounting records.

Realisability of deferred tax assets

Description

For a description of the accounting policy on income tax, please refer to Note 4(26); for accounting estimates and assumption uncertainty in relation to income tax, please refer to Note 5(2); and for details of income tax, please refer to Note 6(20).

The Group's deferred tax assets amounted to $74,542 thousand as at December 31, 2019. The evaluation of the realisability of deferred tax assets involved the future operation plan which was proposed by management to determine whether there is sufficient taxable income, including the estimated assumptions in forecasting market demand, economic conditions, revenue growth rate and cost considerations, etc. Since the abovementioned assumptions involved critical accounting judgement made by management, and has a high degree of uncertainty, we determined the realisability of deferred income tax assets as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the Group's operation and industry nature, evaluated the reasonableness of future operation plan which was proposed by management, including preparation working flow of operation plan and assessed the operation plan whether it is consistent with the content which was approved by the management.
2. Inquired with management on the content of operation plan and assessed the performance intention and ability.
3. Examined the assumptions used by the management on future operation plan in determining the growth in revenue, cost and expense, compared the assumptions with historical data and information of economic and industry forecasting and further assessed the reasonableness of estimated future realisable taxable income.
4. Assessed the sensitivity analysis that was performed by management under different estimated net income completion percentage and confirmed that management has taken into account the effects of estimate uncertainty on future taxable income properly.

Valuation of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventory valuation, please refer to Note 4(12); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2); and for information on the allowance for inventory valuation losses, please refer to Note 6(4).

The Group's inventories and allowance for inventory valuation losses amounted to $100,889 thousand and $12,330 thousand, respectively, as at December 31, 2019. The Group is an agent of semiconductor components which is primarily engaged in sales of niche products and agent of consumer products, communications and connectors. As the agent products are in a small-volume, large-variety production, facing highly competitive nature of the market price and having a short life cycle, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group recognises inventories at the lower of cost and net realisable value. The assessment of the allowance for inventory valuation losses, including the identification of obsolete inventory and determination of net realisable value, often involves subjective judgement and a high degree of uncertainty. Considering the material effect of inventory and its allowance for valuation losses on the consolidated financial statements, we determined the valuation of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the operations and the characteristics of its industry.
2. Understood the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Tested the accuracy of obsolete inventory aging report assessed using the individual assessment by the management, including confirming that the inventory movement is within the appropriate age range.
4. Reviewed the appropriateness of the estimation basis for the evaluation of net realisable value, randomly checked supporting documents of product sales and purchases and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of MetaTech (AP) Inc. as at and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

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

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Ming-Chuan Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan
March 27, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 364,039	24	$ 494,329	38
1136	Current financial assets at amortised cost	6(2) and 8	12,204	1	10,062	1
1150	Notes receivable, net	6(3)	2,684	-	3,587	-
1170	Accounts receivable, net	6(3)	297,460	20	276,160	21
1200	Other receivables		2,310	-	2,470	-
1220	Current income tax assets		1,593	-	1,016	-
130X	Inventories	6(4)	88,559	6	116,769	9
1410	Prepayments		6,347	1	5,085	-
1470	Other current assets		973	-	877	-
11XX	**Current Assets**		776,169	52	910,355	69
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(9)	-	-	-	-
1600	Property, plant and equipment	6(5) and 8	222,399	15	177,016	14
1755	Right-of-use assets	6(6)	127,694	8	-	-
1780	Intangible assets	6(8)	258,627	17	136,975	11
1840	Deferred income tax assets	6(20)	74,542	5	42,943	3
1900	Other non-current assets	6(5)(7)(10)(23)	46,106	3	43,299	3
15XX	**Non-current assets**		729,368	48	400,233	31
1XXX	**Total assets**		$ 1,505,537	100	$ 1,310,588	100

(Continued)

MetaTech

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%
	Current Liabilities					
2100	Short-term borrowings		$ 20,000	1	$ 20,000	2
2130	Current contract liabilities	6(16)	3,135	-	3,461	-
2150	Notes payable		590	-	2,022	-
2170	Accounts payable		162,483	11	162,441	12
2200	Other payables		20,890	2	33,989	3
2230	Current income tax liabilities	6(20)	-	-	-	-
2250	Provisions for liabilities - current	6(11)	4,433	-	4,433	-
2280	Current lease liabilities		15,585	1	-	-
2300	Other current liabilities		1,019	-	647	-
21XX	**Current Liabilities**		228,135	15	226,993	17
	Non-current liabilities					
2530	Corporate bonds payable	6(9)	144,861	10	-	-
2570	Deferred income tax liabilities	6(20)	14,259	1	10,736	1
2580	Non-current lease liabilities		113,954	7	-	-
25XX	**Non-current liabilities**		273,074	18	10,736	1
2XXX	**Total Liabilities**		501,209	33	237,729	18
	Equity attributable to owners of the parent					
	Share capital	6(13)				
3110	Share capital - common stock		580,160	39	580,160	44
	Capital surplus	6(14)				
3200	Capital surplus		649,086	43	618,263	48
	Retained earnings	6(15)				
3350	Accumulated deficit		(206,808)	(14)	(114,567)	(9)
	Other equity					
3400	Other equity interest		(18,110)	(1)	(10,997)	(1)
31XX	**Equity attributable to owners of the parent**		1,004,328	67	1,072,859	82
3XXX	**Total equity**		1,004,328	67	1,072,859	82
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 1,505,537	100	$ 1,310,588	100

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

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except loss per share)

			Year ended December 31			
			2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(16) and 14	$ 1,412,575	100	$ 1,460,290	100
5000	**Operating costs**	6(4)(18)(19)	(1,270,835)	(90)	(1,310,257)	(90)
5950	**Net operating margin**		141,740	10	150,033	10
	Operating expenses	6(10)(18)(19)				
6100	Selling expenses		(108,428)	(8)	(114,815)	(8)
6200	General and administrative expenses		(91,612)	(6)	(79,741)	(5)
6300	Research and development expenses		(57,560)	(4)	(38,143)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	174	-	1,009	-
6000	**Total operating expenses**		(257,426)	(18)	(231,690)	(16)
6900	**Operating loss**		(115,686)	(8)	(81,657)	(6)
	Non-operating revenue and expenses					
7010	Other income		1,444	-	9,709	1
7020	Other gains and losses	6(17)	102	-	6,480	-
7050	Finance costs		(4,633)	(1)	(44)	-
7000	**Total non-operating revenue and expenses**		(3,087)	(1)	16,145	1
7900	**Loss before income tax**		(118,773)	(9)	(65,512)	(5)
7950	Income tax benefit	6(20)	26,078	2	7,768	1
8200	**Loss for the year**		($ 92,695)	(7)	($ 57,744)	(4)
	Other comprehensive income (net)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(10)	$ 568	-	($ 1,671)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	(114)	-	478	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		454	-	(1,193)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(8,891)	-	10,042	1
8399	Income tax relating to the components of other comprehensive income	6(20)	1,778	-	(1,400)	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(7,113)	-	8,642	1
8300	**Total other comprehensive loss for the year**		($ 6,659)	-	$ 7,449	1
8500	**Total comprehensive loss for the year**		($ 99,354)	(7)	($ 50,295)	(3)
	Loss attributable to:					
8610	Owners of the parent		($ 92,695)	(7)	($ 57,744)	(4)
	Other comprehensive loss attributable to:					
8710	Owners of the parent		($ 99,354)	(7)	($ 50,295)	(3)
	Basic loss per share	6(21)				
9750	**Total basic loss per share**		($ 1.60)		($ 1.01)	
9850	**Total diluted loss per share**		($ 1.60)		($ 1.01)	

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

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
			Capital Surplus						
	Notes	Share capital - common stock	Additional paid-in capital	Employee stock warrants	Stock warrants	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Total equity
2018									
Balance at January 1, 2018		$ 440,160	$ 234,540	$ -	$ -	$ 84	($ 55,630)	($ 19,639)	$ 599,515
Loss for the year		-	-	-	-	-	(57,744)	-	(57,744)
Other comprehensive (loss) income		-	-	-	-	-	(1,193)	8,642	7,449
Total comprehensive (loss) income		-	-	-	-	-	(58,937)	8,642	(50,295)
Issuance of shares	6(13)	140,000	364,000	-	-	-	-	-	504,000
Share-based payments	6(12)	-	2,665	16,974	-	-	-	-	19,639
Balance at December 31, 2018		$ 580,160	$ 601,205	$ 16,974	$ -	$ 84	($ 114,567)	($ 10,997)	$ 1,072,859
2019									
Balance at January 1, 2019		$ 580,160	$ 601,205	$ 16,974	$ -	$ 84	($ 114,567)	($ 10,997)	$ 1,072,859
Loss for the year		-	-	-	-	-	(92,695)	-	(92,695)
Other comprehensive (loss) income		-	-	-	-	-	454	(7,113)	(6,659)
Total comprehensive loss		-	-	-	-	-	(92,241)	(7,113)	(99,354)
Share-based payments	6(12)	-	-	25,258	-	-	-	-	25,258
Due to recognition of equity component of convertible bonds issued	6(9)	-	-	-	5,565	-	-	-	5,565
Balance at December 31, 2019		$ 580,160	$ 601,205	$ 42,232	$ 5,565	$ 84	($ 206,808)	($ 18,110)	$ 1,004,328

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

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 118,773)	($ 65,512)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right of use assets)	6(5)(6)(18)	33,653	6,324
Amortization expense	6(18)	377	601
Expected credit gain	12(2)	(174)	(1,009)
Net loss on financial assets at fair value through profit or loss	6(17)	210	-
Interest expense		2,130	44
Interest expense of bonds discount amortization		2,503	-
Interest income		(1,165)	(760)
Share based compensation cost	6(12)	25,258	19,639
Loss on disposal of property, plant and equipment	6(5)(17)	239	24
Unrealized foreign exchange loss (gain)		2,852	(2,811)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		903	287
Accounts receivable		(21,115)	26,654
Other receivables		160	10,397
Prepayments		(1,262)	(2,348)
Inventories		28,210	(11,553)
Other current assets		(96)	(72)
Net defined benefit assets	6(10)	(20)	(47)
Changes in operating liabilities			
Contract liabilities		(326)	(946)
Notes payable		(1,432)	1,600
Accounts payable		42	17,416
Other payables		(7,918)	14,457
Other current liabilities		372	(1,893)
Cash (outflow) inflow generated from operations		(55,372)	10,492
Interest received		1,165	760
Interest paid		(2,130)	(44)
Interest taxes paid		(943)	(5,230)
Net cash flows (used in) from operating activities		(57,280)	5,978
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(5)(23)	(34,158)	(94,076)
Increase in refundable deposits		(106)	(226)
Acquisition of financial assets at amortised cost	6(2)	(2,142)	(2,108)
Increase in other non current assets		(34,278)	(32,137)
Acquisition of intangible assets	6(8)	(121,652)	(123,115)
Net cash flows used in investing activities		(192,336)	(251,662)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short term borrowings	6(24)	35,000	40,000
Repayments of short term borrowings	6(24)	(35,000)	(20,000)
Proceeds from issuance of convertible bonds	6(24)	147,712	-
Repayment of principal portion of lease liabilities	6(6)(24)	(16,669)	-
Proceeds from issuance of shares	6(13)	-	504,000
Decrease in other non-current liabilities	6(24)	-	(3)
Net cash flows from financing activities		131,043	523,997
Effect of exchange rate changes on cash and cash equivalents		(11,717)	12,853
Net (decrease) increase in cash and cash equivalents		(130,290)	291,166
Cash and cash equivalents at beginning of year	6(1)	494,329	203,163
Cash and cash equivalents at end of year	6(1)	$ 364,039	$ 494,329

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

Appendix IV：2017 Cash Capital Increase Implementation Situation of the Company

Metatech (AP) Inc.
2017 Cash Capital Increase Implementation Situation

Project	Implementation Situation		As of the first quarter of 2020	Reasons for advance or backward progress and improvement plans
CellSeed Premium	Amount expended	Expected	338,350	This plan requires that esophageal repair products and knee cartilage products be able to produce benefits, and the plan has not been completed as of the first quarter of 2020. Therefore, no benefits have been generated and there should be no major abnormalities.
		Actual	331,494	
	Execution progress (%)	Expected	94.61%	
		Actual	92.69%	
Laboratory construction	Amount expended	Expected	35,000	The actual payment progress exceeded the original expected progress mainly because the project was originally planned to build a cell layer process center laboratory at the Company ’s current site (Far East World Center), but the future operation growth was assessed and the construction and utilization of the building The area may not be enough, so the company's board of directors leased the Farglory U-TOWN factory office building and moved the laboratory construction to a new site. After reviewing the relevant contracts and the minutes of the company's board of directors, the laboratory construction increased by 9,880 thousand yuan After the main department's new site, the use area is about 306 pings, an increase of 62 pings (25.41%) compared with the original site's use area of about 244 pings, an increase of $9,350,000. In addition, in order to make the laboratory operation smoother, part of the engineering design was changed, so the increase of $530,000. The above-mentioned total of $9,880,000 was paid by the Company with its own funds, and there should be no major abnormal.
		Actual	44,880	
	Execution progress (%)	Expected	100.00%	
		Actual	128.22%	
Equipment	Amount expended	Expected	55,000	The main reason is that some instruments have yet to be finalized before the purchase, so the completion time of the plan is behind schedule, and the actual progress has reached 96.04%, and there should be no major abnormal.
		Actual	52,823	
	Execution	Expected	100.00%	

<table>
<tr><th>Project</th><th colspan="2">Implementation Situation</th><th>As of the first quarter of 2019</th><th>Reasons for advance or backward progress and improvement plans</th></tr>
<tr><td rowspan="4">Clinical trial expense</td><td rowspan="2">Amount expended</td><td>Expected</td><td>65,538</td><td rowspan="4">The actual payment progress is behind the original schedule, mainly because the review progress of the competent authority is longer than expected and the laws and regulations of cell therapy continue to evolve, resulting in the backward schedule compared with the original schedule, which is reasonable after evaluation. In the part of the esophageal repair plan, the Company has submitted an IND application to TFDA on December 28, 2018, and received the TFDA reply letter in principle to agree to the trial on February 13, 2019. E-Da Hospital, E-Da Healthcare Group and E-Da Cancer Hospital, E-Da Healthcare Group will perform this test. The Company will submit to NDA (New Drug Inspection Registration) depending on the results of the test report; In addition, in the knee cartilage plan, the Company cooperated with E-DA hospital, and E-DA hospital applied to the Ministry of health and welfare for the implementation plan of cell therapy on June 17, 2019 in accordance with the "The management measures for the implementation or use of specific medical technology inspection and medical instruments". The Company has received the approval of Metatech (AP) from Ministry of health and welfare on December 18, 2019 Inc. - the agreed place of the cell preparation center is in accordance with the GTP, and it is approved to carry out the technology of autograft chondrocyte transplantation for knee cartilage defect in E-DA hospital, E-DA healthcare group.</td></tr>
<tr><td>Actual</td><td>8,440</td></tr>
<tr><td rowspan="2">Execution progress (%)</td><td>Expected</td><td>98.87%</td></tr>
<tr><td>Actual</td><td>12.73%</td></tr>
<tr><td rowspan="4">Laboratory maintenance expense</td><td rowspan="2">Amount expended</td><td>Expected</td><td>30,160</td><td rowspan="4">It was estimated that the progress was backward, mainly because the construction progress of the laboratory was slightly delayed, so the subsequent payment of laboratory maintenance expense was also delayed. After evaluation, the reason for the backward payment schedule is reasonable. However, the laboratory has been trial production at the end of 2018, and the amount of laboratory maintenance expense in the early stage is relatively low. After the Company continues to put into R & D and production, the laboratory maintenance expense will increase phase by phase.</td></tr>
<tr><td>Actual</td><td>16,789</td></tr>
<tr><td rowspan="2">Execution progress (%)</td><td>Expected</td><td>92.34%</td></tr>
<tr><td>Actual</td><td>51.40%</td></tr>
<tr><td rowspan="4">Total</td><td rowspan="2">Amount expended</td><td>Expected</td><td>524,048</td><td rowspan="4">As for the implementation of cash capital increase in 2018 up to the first quarter of 2020, the reason for the backwardness is not that it will affect the overall progress, and there should be no major abnormal.</td></tr>
<tr><td>Actual</td><td>454,426</td></tr>
<tr><td rowspan="2">Execution progress (%)</td><td>Expected</td><td>95.88%</td></tr>
<tr><td>Actual</td><td>83.14%</td></tr>
</table>

Appendix V：2018 The Implementation of the third Domestic Secured Convertible Corporate Bonds

Metatech (AP) Inc.
2018 The Implementation of the third Domestic Secured Convertible Corporate Bonds

<table>
<tr><td rowspan="4">Total</td><td rowspan="2">Amount expended</td><td>Expected</td><td>151,500</td><td rowspan="4">The third domestic secured convertible corporate bonds raised NTD 151,500,000, has been fully invested in the first half of 2019 to enrich operational capital, in response to the electronic sector operating growth of operational capital needs, and to raise funds to replace the bank financing, in addition to increasing long-term capital stability, strengthen the flexible capital scheduling capacity and improve the financial structure, and can save the Company's interest expense, improve the competitiveness of the Company's operation. Overall, the Company issued the third domestic secured convertible corporate bonds in 2018 to enrich the benefits of operational capital should be revealed.</td></tr>
<tr><td>Actual</td><td>151,500</td></tr>
<tr><td rowspan="2">Execution progress (%)</td><td>Expected</td><td>100.00%</td></tr>
<tr><td>Actual</td><td>100.00%</td></tr>
</table>

Appendix VI：Amendments to the Articles of ethical corporate management best practice principles of the Group

Metatech (AP) Inc.

Amendments to the Articles of ethical corporate management best practice principles of the Group

Amended article	The original article	Description
4. Prohibit dishonest behavior 4.1.When engaging in commercial activities, directors, managers, employees, and mandataries of the Compnay or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.	Art. 4 Prohibit dishonest behavior 1. When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Compnay or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.	All articles are changed to Arabic numerals. At the same time, supervisors deleted.
7. Policy The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, which shall be approved by the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Art. 7 Policy The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	"shall be approved by the board of directors" added
9 Prevent the scope of the program 9.1 The Company shall establish an assessment mechanism for the risk of dishonest conduct, regularly analyze and evaluate business activities with a high risk of dishonesty within the scope of business, and regularly review the suitability and effectiveness of the prevention program. 9.2 The Company may consider the standards or guidelines common at home and abroad to set up	Art. 9 Prevent the scope of the program 1. When establishing the prevention programs, the Company shall analyze which business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures. 2. The prevention programs adopted by the Company shall at least include preventive measures against the following:	"assessment mechanism and regularly review" added "consider the standards or guidelines common at home and abroad" added

preventive plans, at least to cover the following acts of preventive measures:		
10. Commitment and implementation 10.1. The company shall require the directors and senior management to issue a statement of compliance with the good faith operation policy, and require the employees to comply with the good faith operation policy under the conditions of employment. 10.2.The Company and its respective business group shall clearly specify the ethical corporate management policies in their rules, external documents, and the Company's website, and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, shall carry out the policies in internal management and in commercial activities. 10.3. The Company shall make documented information and keep it properly for the honest operation policy, statement, commitment and implementation of Article 10.1. and Article 10.2.	Art. 10 Commitment and implementation The Company and its respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.	10.1 added 10.3 added Amendments to the existing provisions 10.2. and added the Company's website requirements.
12. Prohibition any briberies When conducting business, the Company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	Art. 12 Prohibition any briberies When conducting business, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	Supervisors deleted.
13. Prohibit the provision of illegal political contributions When directly or indirectly offering a donation to political parties or organizations or individuals participating in political	Art. 13 Prohibit the provision of illegal political contributions When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors,	Supervisors deleted.

activities, the Company and their directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	
14. Prohibit improper charitable donations or sponsorships When making or offering donations and sponsorship, the Company and their directors, managers, employees , mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Art. 14 Prohibit improper charitable donations or sponsorships When making or offering donations and sponsorship, the Company and their directors, supervisors, managers, employees , mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Supervisors deleted.
15. Prohibit unreasonable gifts, entertainment or other improper benefits The Company and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Art. 15 Prohibit unreasonable gifts, entertainment or other improper benefits The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Supervisors deleted.
16. No infringement of intellectual property rights The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior	Art. 16 No infringement of intellectual property rights The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Supervisors deleted.

consent of the intellectual property rights holder.		
18. Prevent products or services from damaging stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	Art. 18 Prevent products or services from damaging stakeholders In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	Supervisors deleted.
19. Organization and responsibility 19.1. The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.	Art. 19 Organization and responsibility 1. The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. 2. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and responsible for establishing and	19.2 added 19.2.2. added

19.2 To achieve sound ethical corporate management, the Company shall establish a dedicated unit and allocate sufficient resources and competent personnel that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year): 19.2.2.Regularly to analyze and evaluate the risk of dishonesty within the business scope, and on the basis of which adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.	supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis: B. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.	
20. Business Executive and the Law following The Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	Art. 20 Business Executive and the Law following The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	Supervisors deleted.
21. Avoidance of interest 21.1. The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.	Art. 21 Avoidance of interest 1. The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company. 2. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors,	Supervisors deleted.

21.2. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse him from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. 21.3. The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.	managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse him from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. 3. The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.	
22. Accounting and internal control 22.2. The Company's internal audit unit shall, in accordance with the results of the risk assessment of dishonest conduct, draw up relevant audit plans, including audit objects, scope, items, frequency, etc., and audit the compliance of the system prevention plan referred to in the preceding paragraph, and may appoint an accountant to carry out the audit, and may, if necessary, appoint a professional to assist. 22.3. The verification results of the preceding paragraph shall be	Art. 22 Accounting and internal control 2. The internal audit unit of the Company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	22.2 added 22.3 added

notified to the senior management and the responsible unit for integrity management, and an audit report shall be prepared and submitted to the board of directors.		
23.Operating procedures and behavior guidelines The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:	Art. 23 Operating procedures and behavior guidelines The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:	Supervisors deleted.
24. Education and training and assessment 24.2. The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.	Art. 24 Education and training and assessment 2. The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.	Supervisors deleted.
25. Prosecution system 25.1.2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 25.1.3. After the completion of the	Art. 25 Prosecution system B. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. C. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. D. Confidentiality of the identity of whistle-blowers and the content of reported cases.	Supervisors deleted. 25.1.3. added 25.1.5.added

investigation of the reported case, the subsequent measures shall be taken according to the seriousness of the case, and if necessary, they shall be reported to the competent authority or transferred to the judicial organ for investigation. 25.1.4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 25.1.5. Confidentiality of the identity of whistle-blowers and the content of reported cases and allow anonymous whistleblowing. 25.1.6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 25.1.7. Whistle-blowing incentive 25.2. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.	E. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. F. Whistle-blowing incentive measures. 2. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.	
28. Review and rectification of credit management policies and measures The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	Art. 28 Review and rectification of credit management policies and measures The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	Supervisors deleted.

29. Implementation and revision 29.1. The Principles shall be implemented after the board of directors grants the approval, and shall be submitted to the audit committee and the shareholders' meeting. The same procedure shall be followed when the principles have been amended.	Art. 29 Implementation and revision 1. The Principles shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended. 3. The Principles that has established an audit committee, the provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.	Supervisors deleted. And paragraph 3 deleted.