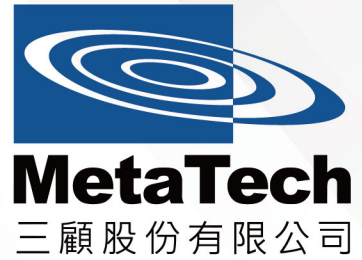


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Annual Report

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Stock Code **3224**

2021 Annual Report

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I. LETTER TO THE SHAREHOLDERS

Dear Ms./Mr. Shareholders:

Thanks for your time to attend the 2022 Shareholders' meeting of the Company. Here we review the business performance in 2021. In aspect of the electronics business group, because the US-China trade war continued and the global pandemic outbreak, the global electronics industry faced a harsh environment. In the problem of the insufficient production and on-time delivery by upstream suppliers (primary factories) as well as the sharp increase in demand for the electronic parts from the downstream clients, the company still delivered a better performance than 2020 under this difficult situation. In order to instantly transfer the actual needs of the downstream customers to the OEM, the Company also tries the best to meet the minimum needs of downstream customers in terms of shipment and even to solve the problems of insufficient upstream (OEM) production and unsatisfactory lead time. In addition, the pandemic in 2020 has greatly increased the demand for the home economy. The main markets of the Company are the high-end servers, the high-end switches, the products in medical application and products in industrial application. As the pandemic continues, the market demand has grown significantly since the beginning of 2022, leading to the short supply of the products represented by the Company. Until the third quarter of 2021, the tension of short supply was relieved and the supply recovered. In the 2021 operating strategy, the Company not only handled the above issues but also paid more attention to existing customers and sought for new opportunities. For these applications, the Company also identifies the new customer in potential markets and sells to more customers, so that the main application of such customer bases will increase so as the business opportunity in 2022.

In the aspect of the biomedical business group, Taiwan's biotechnology industry has actively engaged in the market, and the market confidence is ignited with the opening up of regulations and the encouragement of policies. MetaTech Biomedical is devoted to the development of "regenerative medicine". Not only has it successfully transferred the "cell laminator" technology from Japan, but it has also established a cell processing center in Taiwan and puts it into mass production. In addition to obtaining the production of Regulations Governing Specific Medical Techniques commissioned by the medical institutions, the Company has also obtained the domestic "Phase III clinical trial approval for cell therapy products" and the clinical trials are undergoing. Meanwhile, MetaTech has jointly invested NT\$2 billion to establish Locus Cell Co., Ltd. with international Japanese giant manufacturers, the National Development Fund and other investment partners. We plan to build the Asia's largest CDMO cell factory in Zhubei Biomedical Park and to introduce the automated cell culture systems to increase production capacity.

On September 6, 2018, the Ministry of Health and Welfare announced the implementation of the "Regulations Governing the Application and Use of Specific Medical Techniques, Examinations,

and Medical Devices” (referred to as the Regulations Governing Specific Medical Techniques), which classifies and manages six cell therapies with determinable safety and predictable effectiveness as specific medical technologies. Among them, the “Autologous cartilage transplantation for knee joint cartilage defects” listed in the Regulations Governing Specific Medical Techniques is used for the indications of “knee cartilage defects”. After the medical institution formulated an implementation plan and applies to the Ministry of Health and Welfare for approval, the qualified physician is able to perform cell therapy and provides the patients with one more treatment option at their own expense. Regarding this, the Company transferred the Chondrocyte cell sheet technology from CellSeed Inc. in Japan, and E-Da Hospital firstly cooperated with and entrusted us to apply the Regulations Governing Specific Medical Techniques for cell therapy technology of “Autologous cartilage transplantation for knee joint cartilage defects”. The case was approved by the Ministry of Health and Welfare on December 18, 2019, and it was the first approved project of non-cancer cell therapy in Taiwan. Later on, MetaTech has also cooperated with a number of medical centers and teaching hospitals in Taiwan to apply for the knee cartilage projects under the Regulations Governing Specific Medical Techniques. As of April 30, 2022, the Ministry of Health and Welfare has approved a total of nine medical institutions in accordance with the “Regulations Governing Specific Medical Techniques” and commissioned MetaTech (AP) Inc to produce the cell products for Autologous cartilage transplantation for knee joint cartilage defects. The engaging hospitals are E-Da Hospital (approved on 2019/12/18), Kaohsiung Veterans General Hospital (approved on 2020/4/9), Taipei Medical University Hospital (approved on 2020/4/14), Hualien Tzu Chi Hospital (approved on 2020/4/22), Changhua Christian Hospital (approved on 2021/1/25), Shin Kong Wu Ho-Su Memorial Hospital (approved on 2021/5/14), Tri-Service General Hospital (approved on 2021/5/19), Minsheng Hospital (approved on 2021/5/27) and Tung’s Taichung MetroHarbor Hospital (approved on 2021/7/23). E-Da Hospital has officially received clinical cases since May 2020 and commissioned MetaTech (AP) Inc to produce cell laminators of knee cartilage. So far, MetaTech has received 59 cases for the treatment of knee cartilage defects by chondrocytes, including 55 cases from E-Da Hospital. With the wider acceptance of cell therapy technology, the revenue of the biomedical business group will increase accordingly.

For the filling and repairing of skin defects such as wrinkles, pits, and scars, clinical literature shows that the use of autologous fibroblasts as treatment is a cell therapy with safety, low side-effect and long lasting, which improves and repairs the patients’ skin defects. Based on its own cell culture technology, MetaTech (AP) Inc independently develops the autologous fibroblast technology, and accepts the commission of medical institutions with the application of “Regulations Governing Specific Medical Techniques” for the project of “Autologous fibroblast transplantation of skin defects: to repair wrinkles, holes and scars”, approved by the Department of Medical Affairs of the Ministry of Health and Welfare. There are four hospitals: E-Da Hospital (approved on 2020/7/28), Changhua Christian Hospital (approved on 2021/1/15), Taipei Medical University Hospital (approved on 2021/6/10), and Hualien Tzu Chi Hospital (approved

on 2022/1/24) applying for the project. Three hospitals, E-Da, Changhua Christian Hospital and Taipei Medical, have been including the cases for cell therapy. In addition, in February 2021, the Ministry of Health and Welfare announced the amendment of the Regulations Governing Specific Medical Techniques, which allowed clinics apply to the Ministry of Health and Welfare for the implementation of cell therapy technology after evaluation or certification by the competent authority or its entrusted professional authority. The approved item does include “Autologous fibroblast transplantation of skin defects: to repair wrinkles, holes and scars”. In this case, MetaTech (AP) Inc cooperates with the clinic and accepts the clinics’ commission to apply for the quality certification of cell therapy as well as the certified clinics’ commissioned application for Regulations Governing Specific Medical Techniques of cell therapy. It is expected to greatly increase the commission from the medical institutions and to expand the revenue generated from the clinic’s medical needs. In addition to cartilage and skin treatments, MetaTech has also promoted the immune cell storage business. Based on strong relations with hospitals and the future construction of the cell factory in Zhubei, MetaTech expects to introduce the latest cell therapy and products in the world, to provide hospitals with more choices in clinical treatment, and to secure more protection for patients.

With the growth of the number of cases entrusted in accordance with the “Regulations Governing Specific Medical Techniques,” the Company foresaw the future development of the cell therapy market, deployed ahead of schedule, and planned to outsource OEM in the CDMO model. In addition, the Company has been entrusted with the implementation of two Regulations Governing Specific Medical Techniques project in Taiwan with 13 hospitals, and the number of cooperative clinics is expected to increase. The Company’s strategy is to build a complete and close-knit service lineup of medical institutions, combining with the CDMO outsourcing of cell therapy products and with the cell storage business, increasing in the market share of the cell therapy market. The Company hopes to be a leader in Taiwan’s regenerative medicine industry in near future.

In addition to the domestic patients, the Company has included the international medical services for overseas patients to come to Taiwan for medical treatment of cell therapy. Combining with Taiwan’s excellent medical technology, MetaTech hopes to expand the international market and to create the high-quality regenerative medical technology and services that made in Taiwan. Regarding this target, the Board of Directors and management have also evaluated the changes in the external environment and actively adopted appropriate and effective operating strategies for the growth and new business opportunities of MetaTech’s business.

The business summary, financial statement, profitability analysis, and research and development status of the 2021 are reported as follows, and explain the business plan and sales policy for the coming year.

2021 Business Report

1. 2021 Business Performance

(1) 2021 Performance of Business Plan

Consolidated revenue for 2021 was NT\$2,011,817 thousand (the same below), an increase of NT\$4435,738 thousand (or 27.65%), compared to NT\$1,576,079 thousand in 2020; the net loss after tax for 2021 was NT\$53,381 thousand, a decrease of NT\$229,114 thousand compared to NT\$82,495 thousand in 2020. The loss per share after tax was NT\$0.40.

(2) Analysis of Financial Income and Profitability

1. Consolidated revenue of 2021 was NT\$2,011,817 thousand, which is higher than 2020. The main reasons are the increased demand from end customers for IC components and the new business of new negative pressure isolation cabin for the pandemic; the operating expenses in 2021 increased compared to 2020. The main reasons are the promotion of biomedical products and the new condolidation expenses of subsidiaries which are invested based the equity method. In summary, in 2021, the losses of the current period decreased due to the increase in revenue and the increase in gross profit margin.

2. The relevant financial ratios are as follows:

Item	2021	2020
Current ratio%	615.01	244.84
Quick Ratio%	576.08	215.26
Debt Asset Ratio%	16.43	38.83
Ratio of long-term funds to real estate, plant and equipment %	1525.63	559.75
Return On Equity %	(2.76)	(8.60)
Ratio of operating loss to paid-in capital %	(5.29)	(13.83)
Ratio of before tax loss to paid-in capital %	(6.43)	(15.89)
loss ratio %	(2.65)	(5.23)
Adjusted losses per share	(0.40)	(1.42)

For the analysis and calculation formula of the financial ratio, please refer to the disclosure in the “Financial Analysis” section of the 2021 annual report.

(3) Technology and R&D overview

1. Electronics Business Group

(1) Strengthen the replacement and renewal of the product portfolio, and continuously cooperate with international giant manufacturers for product agents. Search for the electronic components of the optical generation as well

as the active and passive components for green energy market applications; provide the technology-leading products to meet customer needs.

- (2) Offer a complete design portfolio to save R&D costs in customer side, thereby improving the service standards, strengthening the cooperative relationship between the company and customers, and increasing in the company's operations.

2. Biomedical Business Group

(1) Introduction to technical sources

The technical sources of the Biomedical Business Group of MetaTech (AP) Inc include technology transfer projects and self-developed projects.

The main technology transfer project is from CellSeed Inc. in Japan with the temperature-sensing petri dish cell laminator culture technology. Technology transfer application projects include “esophageal regeneration medical technology” and “Knee chondrocyte laminator technology”.

Self-developed projects include the fibroblast and stem cell therapy, as well as the storage application of immune cells.

(2) Esophageal regeneration medical technology

This technology is an oral mucosal epithelial cell laminator product used in the healing of wounds after endoscopic submucosal dissection (ESD) in patients with esophageal cancer, which aims at reducing the probability of esophageal stenosis after surgery. MetaTech (AP) Inc. has been approved by the Ministry of Health and Welfare to launch three phases of clinical trials in domestic in 2020. In addition, in order to accelerate the clinical trials and enhance domestic research on esophageal cancer, MetaTech convened physicians from endoscopy, gastrointestinal, hepatobiliary, and gastroenterology departments of major domestic hospitals on January 24, 2021 to establish the Taiwan Esophageal Research Alliance.

(3) Knee cartilage cell laminator technology

The application of this technology is based on the Regulations Governing the Application and Use of Specific Medical Techniques, Examinations, and Medical Devices” (Regulations Governing Specific Medical Techniques). As of the end of February 2022, there are 9 hospitals in Taiwan being approved to implement the cell therapy of knee cartilage cells for the treatment of knee cartilage defects. Each hospital has entrusted MetaTech (AP) Inc. to prepare the knee chondrocyte products, including cell separation, culture, product harvesting and quality control inspection.

By the end of April 2022, there are 59 cases of cartilage cells treatment for knee cartilage defects have been received in Taiwan. Most of the clients had been treated with analgesic and anti-inflammatory drugs, PRP, hyaluronic acid or arthroscopic surgery. The longest follow-up time after cell

transplantation is 23 months. All the clients have recovered well after the surgery without any serious adverse reactions, and their symptoms have been effectively improved.

In order to keep developing the application of “knee cartilage cell laminator technology”, MetaTech (AP) Inc. cooperates with E-Da Hospital and the National Institute of Health to promote the Regulations Governing Specific Medical Techniques of cell therapy for the registration of cell therapy preparations. The Preparation includes the clinical data obtained from cell therapy of Regulations Governing Specific Medical Techniques from the process and control, non-clinical and clinical aspects, the so-called “real-world data”. The well-designed statistical analysis forms the “real-world evidence”, which helps explain the benefits and risks in using pharmaceutical products. The Company uses the real-world evidence to accelerate the launch of knee cartilage cell laminators. On November 18, 2021, the Japanese company and the Institute of Population Health Sciences of the National Institutes of Health signed a formal cooperation agreement with the Ministry of Health and Welfare under the witness of Undersecretary Shih, Chung-liang.

(4) Self-developed Projects

In terms of autologous fibroblasts, two Taiwanese invention patents have been successively obtained, such as “A Method for Producing Micro Cell Sheet” (Invention No. I693283) and “Three-dimensional Cell Spheroid with High Proliferation Activity, and the Producing Method and Use Therefor” (Invention No. I724528). It’s also allowable for cell therapy plans submitted by medical institutions in accordance with the “Regulations Governing Specific Medical Techniques”, and is used for the filling and repair of skin defects – wrinkles, pits and scars. The Company has begun the commissioned manufacturing of this technology in 2021. In addition, the application of cell therapy was opened for clinics under Regulations Governing Specific Medical Techniques in 2021. In order to increase its business scope, MetaTech (AP) Inc. assists the clinic to apply for “clinic cell therapy quality certification” and gradually obtains the qualification for cell therapy under the Regulations Governing Specific Medical Techniques.

MetaTech (AP) Inc also invests in the storage and use of stem cells and immune cells, expands the field of cell services, deepens the technical capabilities, reserves the production technology, and increases the ability and production experience of OEM for products and cell preparations.

(5) Cell Preparation Center

The Company’s cell preparation center has begun since January 2019 and has continuously passed the audit of “Good Tissue. Practice” (GTP). It is a cell

preparation unit (CPU) for cell therapy and a cell product manufacturing unit for clinical trials approved by the Ministry of Health and Welfare. At present, the Company has begun the clinical trials and accepted the commission of the production of cell therapy products. The Company has also passed the audit of PIC/S Drug Good Distribution Practice (GDP) with the approval of the procurement and storage of medicines.

The biological testing laboratory of the quality control department is a testing laboratory certified by the Taiwan Accreditation Foundation (TAF) ISO/IEC 17025: 2017; CNS 17025: 2018 (laboratory certification number 3691), which provides various quality controls that fulfill the standards. The laboratory biosafety verification operation of the quality control laboratory has also passed and is an accredited laboratory of biosafety Level 2 (BLS-2). The operation of infectious pathogens such as microorganisms complies with laboratory safety management.

In addition, in order to meet the registration and production requirements of cell preparations, the cell preparation center has put into the quality improvement in the production quality level of the factory in line with the PIC/S Western Medicine Good Manufacturing Practice (GMP). The Company will put into the production of cell therapy drugs in the future.

- (6) In order to promote Taiwan's regenerative medicine on the international market, MetaTech (AP) Inc. and Taiwan Hitachi Asia Pacific Company, on behalf of Hitachi Group in Japan, have established a joint venture company - Locus Cell Co., Ltd., to invest in the development of "Contract Development and Manufacturing Organization" in the future. In addition, the Company keeps developing the cell product production methods, plans to build a cell preservation library and continuously transfers the technology to introduce the excellent technology in regenerative medicine or tissue engineering. The goal of the Company is to provide the complete cell products in the future.

2. The Overview of 2022 Operation Plan

(1) Operation guideline

1. Electronics Business Group

- (1) Electronic component distributors focusing on high-value-added and niche products
- (2) Be based in Taiwan, deepen the marketing networks in China, Southeast Asia and India, and combine the resources of China and ASEAN to create the multiplied profits and value
- (3) Continuously adjust to expand the niche and provide the customers with more comprehensive solutions.

- (4) For the continuous growth in the business of existing product lines, the Company seeks for the blue ocean market, elevates the customer satisfaction to become a long-term partner, and actively introduces the existing sales channels of parts and products related to the Internet of Things.
- (5) Actively recruit and train the talents to enhance the technical support and product application capabilities.
- (6) Provide the differentiated services and technology integration to meet the customer needs and maximize the profits.
- (7) Increase the customer base of the green energy application and improve the integrity of the application market.

2. Biomedical Business Group

- (1) To increase the revenue of the Biomedical Business Group, the Company adds the treatment services for knee cartilage defects by autologous knee cartilage cell lamellar transplantation of the “Regulations Governing Specific Medical Techniques”.
- (2) The Company promotes the “Regulations Governing Specific Medical Techniques” for skin defects treatment of autologous fibroblast transplantation: cell therapy plans for filling and repairing wrinkles, pits and scars. In addition to receiving cases from the hospital, the Company assists the clinic to apply for Regulations Governing Specific Medical Techniques. Once approval and starting to receive the cases, the revenue of the Biomedical Business Group will increase accordingly.
- (3) Regularly track the progress of clinical trials of esophageal laminators to ensure the on-market schedule of the product.
- (4) Develop the services for cell storage business, including immune cells, skin fibroblasts and so on, for the additional revenue of the Biomedical Business Group.

(2) Important production and marketing policies

1. Electronics Business Group

Strengthen the promotion of products in the cloud market (servers, storage equipment, high-end commercial switches), the wireless communications (routers, 5G routers), the industrial control (industrial switches, railway communication equipment), the medical equipment, the automotive electronics (electronic equipment of electric vehicles), the tool machinery and equipment market, the green energy market (energy storage cabinets, wind power plants, electromagnetic modules of electric vehicles), the semiconductor test equipment market products and other application in high-end markets.

Due to the impact of COVID-19, the suppliers will face shortage of raw materials in the second half of the year with the expectation of the additional 20 to 56 weeks of the delivery time. The downstream customer base will be affected by the prolonged delivery time and different supply situation for various components. The overall lead time and response will be affected. Therefore, orders from customers cannot be cancelled to prevent the inventory problems in the future.

Under the pandemic, the OEM increased the costs and selling prices for some customers to increase the product profits. In addition, downstream customer bases are required to place orders early to prevent material shortages, and also to prevent the company's revenue from declining during material shortages.

The Company added two new product lines. One is from Amphenol LLC, which is the second largest international manufacturer of connectors in the world. Its main products are connectors for the industrial-grade applications. The main markets are the green energy, the electric vehicle application and the power equipment for infrastructure construction. Another product line is from AME Inc. (AMEOWEI), whose main product is semiconductor for power supply applications, and the main markets are mobile equipment applications and product having high demand for power saving.

2. Biomedical Business Group

The strategies of Biomedical Business Group are product optimization, increase in customer and channels, and improvement of product reliability. The Company forms a medical beauty alliance for hospitals and clinics to expand medical beauty channels. In addition, the Company constructs a second cell production center and accepts the commissions from special persons to increase the customer base. To increase the number of cases received, the Company assists the hospital in publicity by jointing performance presentation and press release. The Company regularly holds the seminars of laminator treatment to show the clinical effects of treatment and to enhance the product value. Moreover, to develop the company's projects and improve the revenue, the Biomedical Business Group also executes the business of immune cell storage services and plans to apply for the autoimmune cell therapy under the "Regulations Governing Specific Medical Techniques".

In the face of the changes and challenges in the domestic and foreign environment, the Company still hopes that all shareholders do not hesitate to advise and keep supporting. It's believed that, under the diverse operations and efforts, the Company's business will grow steadily and create more revenue. In the future, all shareholders, customers and employees enjoy business performance together.

Finally, the Company thanks all shareholders again for your support, trust and encouragement to the company.

Regards,

Chairman Yang, Chih-hui Manager Tang, Hung-te Accounting Supervisor Chan,
Chih-tsung

II. Company Introduction

1. Establishment Date: 1998.09.17

2. Company History

1998	The company was officially established with a capital of NT\$10 million.
	The main business was the agency sales of electronic components.
1999	Sales of Vitesse semiconductor products
2000	Agency and sale of Summit semiconductor products
	Agency and sale of BTI semiconductor products
	Agency and sale of Dense-Pac semiconductor products
2001	Agency and sale of Apogee semiconductor products
	Cash capital increased NT\$110,000,000, and the capital was NT\$120,000,000.
	Re-invested MetaTech Investment Holding Co Ltd(BVI) with USD 2,000,000
	Purchased the office (14-2 nd and 14-3 rd Floor, No. 75, Section 1 of Xintai 5th Road, Xizhi City).
2002	Agency and sale of Fordahl semiconductor products
	Agency and sale of Cyan semiconductor products
	Agency and sale of TDK semiconductor products
	Agency and sale of Beyond Innovation Tech semiconductor products
	In September 2002, it went through a public offering and accepted the assistance of Yuanfu Securities in listing.
	Cash capital increased NT\$48,000,000, and the paid-in capital of the company was NT\$168,000,000.
2003	Agency and sale of Octasic semiconductor products
	Agency and sale of Fastrax semiconductor products
	Agency and sale of Samtec semiconductor products
	Agency and sale of u-Nav semiconductor products
	Agency and sale of SIMTEC semiconductor products
	Agency and sale of Intrinsity semiconductor products
	Agency and sale of Volterra semiconductor products
	Agency and sale of Anachip semiconductor products
	Handled the surplus to capital increase and the capital reserve to capital increase by NT\$26,700,000, and the paid-in capital of the company was NT\$194,700,000.
	Registered as an emerging stock on June 27, 2003.
	Applied for listing on the counter on October 31, 2003.
2004	Agency and sale of Conexant semiconductor products
	Agency and sale of Alta Analog semiconductor products
	Agency and sale of Alliance semiconductor products
	Agency and sale of TCL semiconductor products
	Agency and sale of Quorum semiconductor products
	Agency and sale of Motia semiconductor products
	Agency and sale of iTerra semiconductor products
	Agency and sale of Gemstone semiconductor products
	Agency and sale of Tak'ASIC semiconductor products
	On April 06, 2004, the Securities and Futures Bureau under the Ministry of Finance approved the stock listing application.
	On June 03, 2004, the stock was listed on the counter.
	Handled the surplus to a capital increase by NT\$44,300,000, and the company's paid-in capital was NT\$239,000,000.
2005	Agency and sale of Intersil semiconductor products
	Increased the overseas investment and established an affiliate company "MetaTech Trading (Shenzhen) Co., Ltd."
	Increased the overseas investment and established MetaTech(S) Pte Ltd. India branch.

	Handled the surplus to a capital increase by NT\$27,000,000, and the company's paid-in capital was NT\$266,000,000.
2006	Agency and sale of Chipidea semiconductor products
	Agency and sale of Lite-on Ambient Light Sensor products
	Issued the convertible corporate bonds with a denomination of NT\$120,000,000.
	Handled the surplus to a capital increase by NT\$34,000,000, and the company's paid-in capital was NT\$300,000,000.
	Cash capital increased by NT\$60,000,000, and the company's paid-in capital was NT\$360,000,000.
	Purchased the office (14-4 th and 14-5 th Floor, No. 75, Section 1 of Xintai 5th Road, Xizhi City).
	1,362,532 shares of corporate bonds were converted into common shares, and the paid-in capital of the company was NT\$373,625,320.
2007	Agency and sale of Lattice semiconductor products
	Agency and sale of Mindspeed semiconductor products
	Handled the surplus to a capital increase by NT\$19,546,200, and the capital reserve to capital increase of NT\$24,253,800, so the company's paid-in capital was NT\$417,425,320.
	573,797 shares of corporate bonds were converted into common shares, and the paid-in capital of the company was NT\$423,163,290.
	Increased the oversea investment of MetaTech(S) Pte Ltd. With SGD 3,800,000
	Increased the oversea investment of MetaTech(S) Pte Ltd. With HKD 15,000,000.
2008	Agency and sale of Teridian semiconductor products
	Agency and sale of Forward semiconductor products
	Handled the capital reserve to increase the capital by NT\$10,000,000, and the paid-in capital of the company was NT\$433,163,290.
2009	Agency and sale of Ideacom semiconductor products
	Agency and sale of Microvision semiconductor products
	Agency and sale of On-Ramp Wireless semiconductor products
	Increased the oversea investment of MetaTech(S) Pte Ltd. With HKD 11,000,000.
2010	Agency and sale of 5V Technologies,Ltd. semiconductor products
	Agency and sale of Beijing Yoton semiconductor products
	Agency and sale of Broadlogic semiconductor products
	Agency and sale of ClariPhy semiconductor products
	Agency and sale of E-Switch semiconductor products
	Agency and sale of Eturbo semiconductor products
	Agency and sale of Greenliant semiconductor products
	Agency and sale of Maxim semiconductor products
	Agency and sale of Chingis Technologies Inc. semiconductor products
	Agency and sale of Phoenix semiconductor products
	Agency and sale of United Lighting Opto-electronic Inc. semiconductor products
	Agency and sale of Zywyn+ semiconductor products
	8,620 shares of corporate bonds were converted into common shares, and the paid-in capital of the company was NT\$433,249,490.
2011	Agency and sale of AIC semiconductor products
	Agency and sale of eGalax_eMPIA semiconductor products
	Agency and sale of Eturbo semiconductor products
	Agency and sale of Helicomm semiconductor products
	Agency and sale of Jorjin semiconductor products
	Agency and sale of Semitech semiconductor products
	Agency and sale of Silego semiconductor products
	The first convertible corporate bond in domestic expired and was fully redeemed, and over-the-counter trading was terminated on October 3rd, 2011.
1,321,000 treasury shares was cancelled, and the company's paid-in capital was NT\$420,039,490.	
2012	Agency and sale of InterFET semiconductor products
	Agency and sale of Innovasic semiconductor products

	Agency and sale of KDTouch semiconductor products
	Agency and sale of Seeways semiconductor products
	Agency and sale ofAPEX semiconductor products
	Agency and sale of BCD semiconductor products
	Agency and sale of Immeuse semiconductor products
2013	In November, the capital reduction was passed to make up for the loss by reducing 285.781439 shares per 1,000 shares, and the capital after the capital reduction was NT\$300,000,000.
	The Biomedical Business Group was established in November.
2014	The stock affairs business was transferred from CTBC to Concord Stock as Agency.
	Issued the second domestic guaranteed convertible corporate bond with a denomination of NT\$150,000,000.
2015	Cash capital increased 10,000,000 shares, and the company's paid-in capital was NT\$400,000,000.
	Set up an audit committee for the first time.
	The Board of Directors approved the "Technology transfer authorization Contract of Multi-function image digitization and biomedical chip detection integration technology platform" with Taipei Medical University.
2016	Signed an agency agreement for the genetic testing related to cancer drugs with BGI Health (Hong Kong) Co., Ltd., and provided the genetic testing services for cancer patients in domestic.
	Signed a Memorandum of Understanding with BGI Health (Hong Kong) Co., Ltd. to establish a joint venture company and laboratory in Taiwan, and agreed to conduct the genetic testing for personalized cancer drug in Taiwan, and to implement the localization of drug screening in cancer gene.
	Acquired Jianhua Travel Service Co., Ltd. as a subsidiary.
	Signed a Memorandum of Understanding(MOU) with Japan CellSeed Inc. to develop the regenerative medicine in Taiwan, including the transfer of cell culture technology, the reconstruction and repair of human tissues and organs (such as the inner wall of the esophagus). The MOU covers four aspects of development plans, clinical trials, manufacturing and product sales.
	Signed a kick-off contract for medical cooperation in cell laminator regenerative with Cellseed of Japan. MetaTech introduced the cell laminator technology developed in Japan, and the parties jointly developed a regenerative medical plan for esophageal and knee cartilage in Taiwan to shorten the schedule in research and development and promote the quick commercialization of regenerative medical products in Taiwan.
2017	Signed a cooperation contract for cell laminator regenerative medicine with CellSeed of Japan. The Company introduced the cell laminator technology developed in Japan to develop the esophageal and knee cartilage-related products, and built a cell laminator process center (CPC) for the clinical trials of esophageal repair and knee cartilage regeneration.
	Signed a MOU on the development of new cell laminator technology with CellSeed of Japan, and jointly developed new technologies and new products to expand Taiwan's regenerative medicine business.
	4,016,045 shares of corporate bonds were converted into common shares, and the paid-in capital of the company was NT\$440,160,450.
2018	4,000 units of employee stock warrants were issued, and the declaration was effective on January 8, 2018.
	Cash capital increased 14,000,000 shares in 2017, and the paid-in capital of the company was NT\$580,160,450.
	Through the NT\$100 million investment of the National Development Fund, the Company became the second firm in Taiwan that receiving the capital injection from the Industrial Innovation and Transformation Fund.
	R&D personnel were trained in cell lamination technology and went to Japan for training in March 2018.
	Through the Industrial Upgrading Innovation Platform Guidance Program (Innovation Optimization Program) of the Industrial Development Bureau of the Ministry of Economic Affairs, the Company conducted the clinical trial and product development in the regenerative medicine of autologous cell laminates.

	<p>Signed a MOU with Dr. Dai Nianzi worked for the Tri-Service General Hospital of the National Defense Medical College to develop “Research on the application of skin cell laminators to Wound Healing”, and innovated and developed the skin cell laminator products.</p> <p>Obtained the investment approval for entering the Park from the Hsinchu Biomedical Park Investment Case Review Committee meeting (Zhubei Branch)</p> <p>Issued the third domestic guaranteed convertible corporate bond with a denomination of NT\$150,000,000.</p> <p>Completed the transfer of core technology, and the core technicians visited Japan to obtain the cell culture technology for knee cartilage lamina in November 2018.</p> <p>The Cell process center (CPC) was built and put into trial operation.</p> <p>The IND application for the phase III clinical trial of autologous oral mucosal cell laminators was submitted to the Ministry of Health and Welfare.</p>
2019	<p>Signed a technical cooperation contract for the repair of knee cartilage lamina and plexus with Superintendent Du Yuankun of E-Da Hospital.</p> <p>Obtained the principle approval of the phase III clinical trial of autologous oral mucosal cell laminators submitted to the Ministry of Health and Welfare.</p> <p>MetaTech in Tokyo, Japan and Hitachi Chemical Co., Ltd. (Hitachi Chemical) and Taiwan Hitachi Asia Pacific Co., Ltd (Taiwan Hitachi Asia Pacific) signed a tripartite MOU to jointly explore Taiwan’s regenerative medicine market.</p> <p>Agency and sales of Singatron semiconduct products</p> <p>Cooperated with E-Da Hospital of I-Shou Medical Foundation for an application of autologous chondrocyte therapy technology plan.</p> <p>Cooperated with E-Da Hospital of I-Shou Medical Foundation for an application for autologous fibroblast therapy technology plan.</p> <p>Jointly organized the “Global Regenerative Medicine Trends and Prospects Forum” with Taiwan Hitachi Asia Pacific Co., Ltd. and PwC Taiwan.</p> <p>Obtained the approval of the phase III clinical trial of human (autologous) oral mucosal epithelial cell laminates by the Ministry of Health and Welfare.</p> <p>The self-developed “Innovation of high-performance aggregated fibroblasts” project was recognized by the 16th National Innovation Award (Biotechnology, Pharmaceutical and Precision Medicine Category).</p> <p>Cooperated with Taipei Medical University Hospital for an application for autologous fibroblast therapy technology plan.</p> <p>Cooperated with Taipei Medical University Hospital for an application for autologous chondrocyte therapy technology plan.</p> <p>Cooperating with E-Da Hospital for autologous cartilage cells, the Company’s cell preparation center obtained the approval of a cell preparation unit in accordance with the “Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices” by the Ministry of Health and Welfare.</p> <p>Cooperated with Kaohsiung Veterans General Hospital for an application for autologous chondrocyte therapy technology plan.</p>
2020	<p>Established a joint venture with Japanese CellSeed company in Taiwan to establish a R&D company - Up Cell Biomedical.</p> <p>Cooperated with Hualien Tzu Chi Hospital, a Buddhist Tzu Chi Medical Foundation, for an application for autologous chondrocyte therapy technology plan.</p> <p>Cooperating with Kaohsiung Veterans General Hospital for autologous cartilage cells, the Company’s cell preparation center obtained the approval of a cell preparation unit in accordance with the “Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices “, by the Ministry of Health and Welfare.</p> <p>Signed a MOU of follow-up cooperation matters with Taiwan Hitachi Asia Pacific Co., Ltd (Taiwan Hitachi Asia Pacific). It is expected that Asia’s largest CDMO cell foundry would be built in Zhubei Biomedical Park in the future to join the supply chain of Hitachi cell therapy products.</p> <p>Cooperating with Taipei Medical Hospital for autologous cartilage cells, the Company’s cell preparation center obtained the approval of a cell preparation unit in accordance with the “Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices “ by the Ministry of Health and Welfare.</p>

	Cooperating with Hualien Tzu Chi Hospital for autologous cartilage cells, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	Terminated the agency of Luxun precision connector products.
	The Company's "A method for manufacturing micro-cell laminates" was patented by Taiwan (patent number I693283).
	The Company cooperated with Changhua Christian Hospital to submit an application for autologous chondrocyte therapy technology plan.
	The Company cooperated with Changhua Christian Hospital to submit an application for autologous fibroblast therapy technology plan.
	Cooperating with I-Shou Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	The Board of Directors of the Company resolved to increase its capital in cash and issue common shares.
	The Board of Directors of the Company passed a resolution to establish a new joint venture company with Taiwan Hitachi Asia Pacific Co., Ltd.
	The Company cooperated with the Tri-Service General Hospital to submit an application for autologous chondrocyte therapy technology plan.
	The Company cooperated with Min-Sheng General Hospital to submit an application for autologous chondrocyte therapy technology plan.
	The Company established Locus Cell Co., Ltd. as wholly company
	The Company cooperated with Shin Kong Wu Ho-Su Memorial Hospital of Xinguang Medical Consortium, to submit an application for autologous chondrocyte therapy technology plan.
	The Company cooperates with Tung's Taichung MetroHarbor Hospital, a Children's Comprehensive Medical Association, to apply for an autologous chondrocyte therapy technology plan.
2021	Cooperating with Changhua Christian Hospital for autologous fibroblasts, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	Cooperating with Changhua Christian Hospital for autologous cartilage cells, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	The Company cooperated with Hualien Tzu Chi Hospital of a Buddhist Tzu Chi Medical Foundation, to apply for an autologous fibroblast therapy technology plan.
	The Board of Directors of the Company has resolved that the private equity cash capital increase approved by the 2020 annual shareholders' meeting was completed and the public offering capital increase has been approved. There is no new capital demand for the time being, so the raising and issuance would not continue.
	Cooperating with Shin Kong Wu Ho Su Memorial Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	The Company cooperated with Tai'an Hospital, a Seventh-Day Adventist Medical Consortium, to submit an application for autologous fibroblast therapy technology plan.
	Cooperating with Tri-Service General Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.

	Cooperating with Min-Sheng General Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	Cooperating with Taipei Medical University Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	Cooperating with Tungs' Taichung Metro Harbor Hospital, the Company's cell preparation center obtained the approval of a cell preparation unit in accordance with the "Regulations Governing the Application or and Use of Specific Medical Techniques or, Examinations, or and Medical Devices" by the Ministry of Health and Welfare.
	The Company's cash capital increase raised NT\$395 million in shares.
	Locus Cell Co., Ltd., a subsidiary of the Company, handled a cash capital increase of NT\$1.999 billion, and the paid-in capital after the capital increase was NT\$2 billion.
	The Company's third times of conversion of domestic corporate bonds with guarantee was expire to return the capital, and termination of listing on the counter
	Agency and sale of AME semiconductor products

3. Report of Corporate Governance

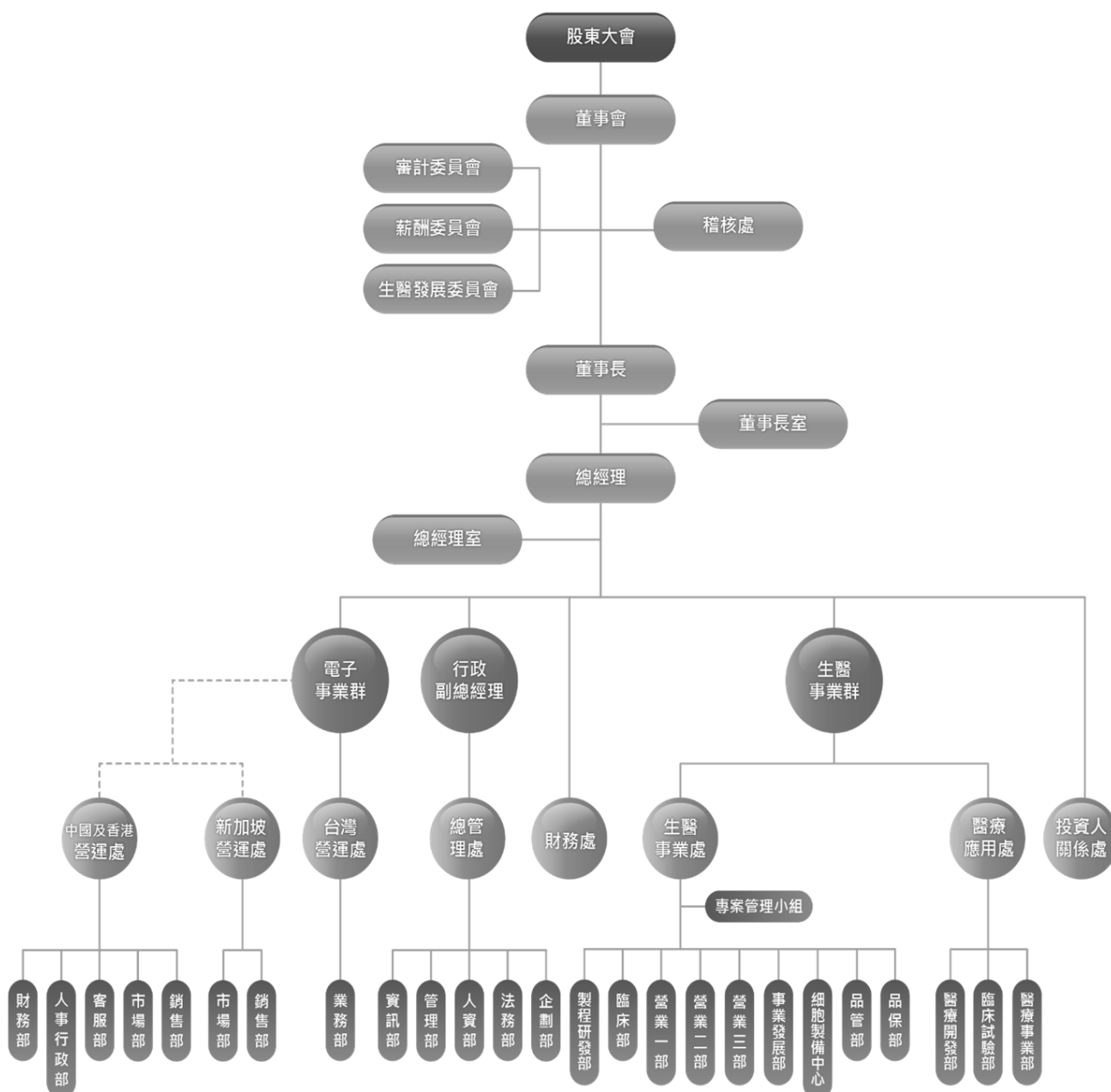
(1) Corporation Organization

(a) Organization System

MetaTech (AP) Inc.

(Approved in the resolution of the 16th Meeting of 8th Sessions Board of Directors on May 14, 2021)

1. Structure of Internal Organization:



2.The Main Function of Individual Main Department

Department		Main Functions
Audit Office		<ul style="list-style-type: none"> ◆ Assist the Board of Directors and managers to check and review the lack of internal control, to measure the effectiveness and efficiency of operations, and to provide the improvement suggestions in a timely manner. ◆ Responsible for the audit and tracking of various operating cycles.
Chairman's Office		<ul style="list-style-type: none"> ◆ In order to assist the Chairman in planning the Conglomerate's important policies, guidelines and improvement countermeasures, a specific group responsible may be set up if necessary. ◆ Responsible for assisting the chairman or independent directors in stock affairs-related matters such as convening the meetings, contacting, sending, and writing various proposals (e.g. Board of Directors, Remuneration Committee, Audit Committee, shareholders' (or temporary) meeting). ◆ Responsible for assisting the Chairman and Directors in communication and coordination between various departments and performing assigned tasks.
President's Office		<ul style="list-style-type: none"> ◆ Responsible for formulation, evaluation and implementation of various projects throughout the company. ◆ Responsible for the coordination and system planning of various departments.
Electronics Business Group		<ul style="list-style-type: none"> ◆ Responsible for managing related affairs of the operations office in Taiwan, China, Hong Kong, and Singapore.
Taiwan Operations Office		<ul style="list-style-type: none"> ◆ Responsible for coordinating the electronic operations in Taiwan.
Sub-department	Sales Department	<ul style="list-style-type: none"> ◆ Responsible for the procurement and planning of all electronic product lines. ◆ Responsible for the market research, research and analysis, product sales plan formulation and solving customer product design and process problems in electronic product ◆ Responsible for the operation and management of electronic commodity within the Conglomerate, such as in inventory, shipment, and so on. ◆ Responsible for the collection and progress tracking of accounts receivable.
China and Hong Kong Operations Office		<ul style="list-style-type: none"> ◆ Responsible for coordinating the electronic operations in China and Hong Kong.
Singapore Operations Office		<ul style="list-style-type: none"> ◆ Responsible for coordinating the electronic operations in Singapore and Southeast Asia.
General Management		<ul style="list-style-type: none"> ◆ Ordinate and control the human resources, legal affairs, administration, general

	Office	affairs, marketing, procurement (except for electronic business-related products), planning, information, capital release and other matters within the Conglomerate.
Sub-department	Information Department	<ul style="list-style-type: none"> ◆ Responsible for the planning, construction and maintenance of the informationization, computerization, information integration, and information security management of the operating systems in the departments of the Conglomerate.
	Management Department	<ul style="list-style-type: none"> ◆ Responsible for the Conglomerate's general affairs and marketing related matters. ◆ Responsible for the procurement and management of the Conglomerate's fixed assets, internal and external items and equipment (except for electronic business-related commodities). ◆ Responsible for the release of funds within the Conglomerate.
	Human Resources Department	<ul style="list-style-type: none"> ◆ Responsible for the personnel recruitment and allocation, personnel training and development, human resource planning, remuneration management, performance management, labor relations management and administrative operation management within the Conglomerate. ◆ Responsible for the review of salaries and bonuses within the Conglomerate.
	Legal Affair Department	<ul style="list-style-type: none"> ◆ Responsible for the formulation of measures related to corporate governance, interpretation of regulations, legal affairs, and litigation within the Conglomerate.
	Planning Department	<ul style="list-style-type: none"> ◆ Responsible for the collection, integration and market analysis of industrial information. ◆ Responsible for the planning, design, marketing and maintenance of the company's external websites. ◆ Responsible for the product functions, market positioning, business policies, strategy formulation, and cross-departmental communication and coordination. ◆ Responsible for the product policy, marketing plan, advertising planning, marketing channel integration, marketing strategy planning and promotion.
	Finance Department	<ul style="list-style-type: none"> ◆ Responsible for the provision and analysis of financial management information within the Conglomerate. ◆ Responsible for financial scheduling, capital management and other business within the Conglomerate. ◆ Responsible for the Conglomerate's accounting processing, statement preparation and tax planning. ◆ Responsible for the compilation and management of the Conglomerate's budget. ◆ Responsible for the internal stock affairs operations, shareholders' meetings, Board of Directors, functional committees, and corporate governance-related matters in the Conglomerate.

Biomedical Business Group		<ul style="list-style-type: none"> ◆ Responsible for the management of related affairs of the Biomedical Business Division and the Medical Application Office.
Biomedical Division		<ul style="list-style-type: none"> ◆ Responsible for coordinating the product research and development and technological development related to the biomedical business. ◆ Responsible for coordinating the construction, maintenance and management of the cell process center. ◆ Responsible for coordinating the application and implementation of clinical trials and Regulations Governing Specific Medical Techniques. ◆ Responsible for coordinating cooperation matters between domestic hospitals. ◆ Responsible for coordinating the marketing and sales of the biomedical products. ◆ Responsible for coordinating the testing and management of the quality control related to biomedical. ◆ Responsible for coordinating the issuance, distribution, archiving and management of quality documents related to biomedical
Sub-department	Project Management Team	<ul style="list-style-type: none"> ◆ Development: Data collection and analysis of different projects such as technology, products, product changes, cooperation of industry-government-academic-research-medical, project feasibility assessment, pre-testing, and management before entering the R&D cycle. ◆ Project Management: For various projects such as government projects, internal projects, external cooperation projects, award applications, and so on. The R&D cycle shall be introduced in accordance with the company's relevant management regulation, and the progress of the project shall be controlled. ◆ Intellectual Property Management: Realize the outcome of R&D in different forms, such as patent application and maintenance, academic journals publication, trade secrets, copyrights, and management of other publications.
	Process R&D Department	<ul style="list-style-type: none"> ◆ R&D: Comprehensively manage the research and development of the process and standardization operations, including the new technology research and process introduction, to conduct the pilot production operations; optimize the current process to reduce the raw material consumption; and analyze and evaluate the process cost of new cases.
	Clinical Department	<ul style="list-style-type: none"> ◆ Project Management: Comprehensively manage the clinical project application, execution and management. ◆ Medical Affairs: medical affairs/collection, presentation and training of medical and scientific information/assistance in clinical development/establishment and maintenance of KOL relationships/market analysis.
	Sales Team A	<ul style="list-style-type: none"> ◆ Sales promotion

Sales Team B	◆ Business development
Sales Team C	◆ Responsible for planning and implementing business plans and achieving performance goals.
Business Development Department	◆ Responsible for marketing planning/strategy formulation, implementation of marketing activities, and support of business units.
Cell Preparation Center	<ul style="list-style-type: none"> ◆ Factory Affairs Division: Comprehensively manage the operations related to facility and the equipment maintenance, and setup the verification in the factory. ◆ Manufacturing Division: Manage the manufacturing-related operations in the factory. ◆ Production Management Division: Comprehensively manage the management of production scheduling and planning in the factory, including the formulation, maintenance and follow-up of production schedule; confirmation of orders; maintenance of order shipments; coordination and communication; and the operation related to raw material warehousing and inventory management.
Quality Control Department	<ul style="list-style-type: none"> ◆ Quality Control Division: Manage related testing operations in the quality system of the factory, including incoming quality control (IQC), incoming process quality control (IPQC), final product quality control (FQC) and other inspection project management; inspection platform maintenance and development; report issuance & management; quality control system maintenance; traceability operations. ◆ Quality Testing Laboratory: Operate in accordance with ISO/IEC 17025: 2017 compliance certification laboratory, including specimen collection, inspection on quality control, on-board operation, result review, and report preparation.
Quality Assurance Department	<ul style="list-style-type: none"> ◆ Quality Assurance: Implement the quality system and verification operation management of the factory that complies with pharmaceutical regulations; establish and implement the audit/inspection operations and follow-up correction and prevention in line with pharmaceutical regulations; the training and management of quality system personnel in the factory, and the formulation and maintenance of quality procedures and other quality systematic activities and standards, so that products and services can meet the quality requirements. ◆ Quality Document Management: Comprehensively manage the document control and archiving management operations of the factory quality system.
Medical Application Office	<ul style="list-style-type: none"> ◆ Responsible for coordinating the development assessment of the company's new medical business and the clinical development of new applications. ◆ Responsible for domestic and foreign business development as well as the planning and introduction of the company's cooperation model. ◆ Responsible for coordinating the cooperation and strategic development of

		domestic biotechnology-related government agencies and legal persons.
Sub-department	Medical Development Department	<ul style="list-style-type: none"> ◆ Responsible for the introduction and evaluation of medical technology in domestic. ◆ Responsible for the planning and management of medical technology and training in domestic. ◆ Responsible for evaluating the service and promotion business of the medical equipment and the regenerative medicine products.
	Clinical Trial Department	<ul style="list-style-type: none"> ◆ Responsible for collecting and evaluating the development of new products and new clinical applications of existing products. ◆ Responsible for collecting and discussing with specialists to evaluate the feasibility and introduction of products in clinical. ◆ Responsible for the follow-up tracking and management of new products and existing products after the real application in the hospitals.
	Medical Department	<ul style="list-style-type: none"> ◆ Assist in promoting related matters such as information collection and production of evaluation reports by the biotechnology team. ◆ Responsible for the on-marketing plan of regenerative medicine products. ◆ Responsible for the evaluation, introduction and follow-up promotion of foreign regenerative medicine products and medical technologies in oversea ◆ Responsible for collecting the latest technologies, patents, information of domestic and foreign regenerative medicine; and analyze and evaluate the related company data. ◆ Responsible for connecting the domestic government agencies and related legal persons to establish a strategic alliance for regenerative medicine through cooperation and to deepen the domestic regenerative medicine industry.
	Investor Relations Office	<ul style="list-style-type: none"> ◆ Construct the interactive relationship between the company and natural persons, legal persons, the media, and the authorities. ◆ Assist the company's financial, business and other departments in expanding the public relations. ◆ Plan and hold the investor conference, and assist in press conferences and other matters. ◆ Responsible for the company's public speaking.

2. Information on the Directors, Supervisors, CEO (GM), Deputy chairmans, Senior Manager and the Manager of Each Department and Branch

1. Directors

(1) Information of Directors

As of the closing date of May 1st, 2022; unit: share

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
	R.O.C	Da Jyun Capital Investment Corporation	—	2021.07.20	3 ys	2018.6.25	197,000	0.34%	197,000	0.29%	—	—	—	—	—	SunDance Entertainment International	—	—	—
Chairman	R.O.C	Da Jyun Representative of Capital Investment Corporation: Yang, Chih-hui	F / 45	2021.07.20	3 ys	2018.6.25	50,000	0.09%	56,894	0.08%	—	—	—	—	PhD, Kaushiung Medical University School of Pharmacy Director, Department of Biological Science & Technology at I-Shou University Associate professor, Department of Biological Science & Technology at I-Shou University Head of Planning and Pormotion group under Public Affair at I-Shou University	President and Director of Locus Cell Co., Ltd. Director, The K-T Wang Bioorganic Chemistry Foundation Director, Taiwan Biotechnology Development Education Foundation Director, Biochemical Technology Foundation Chairman, Biochemical Technology	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
														Assistant professor, Department of Biological Science & Technology at I-Shou University Deputy chairman, Medical College of E-Da University Professor, Department of Post-graduated Medical in Medical College at I-Shou University Honorary Director, The Top 10 Outstanding Young Women's Associations of the R.O.C Professor, Department of Biological Science & Technology at I-Shou University	Foundation Chairman of Taiwan Invention Society Director, International Association of Biocatalysis and Agricultural Biotechnology Director, Taiwan Testing and Quality Assurance Society Appointed Professor, Department of Biological Science & Technology at I-Shou University Consultant of E-Da Cancer Hospital Consultant of Innovation Center at Taipei Medical University Hospital Consultant of Up Cell Biomedical Inc.				

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Share- holding Rate	Number of Shares	Share- holding Rate	Number of Shares	Share- holding Rate	Number of Shares	Share- holding Rate			Title	Name	Relation
Director	R.O.C	Bedbixiu Investment Co., Ltd.	—	2021.07.20	3 ys	2016.6.29	3,141,924	5.42%	3,141,924	4.61%	—	—	—	—	—	—	—	—	
Vice Chair man	R.O.C	Representative of Bedbixiu Investment Co., Ltd.: Chen, Tsung-Chi	M / 58	2021.07.20	3 ys	2021.07.20	—	—	—	—	—	—	—	—	Department of Communication Management at Shih Shin University Chairman of Bedbixiu Investment Co., Ltd. Chairman of SunDance Entertainment International Chairman of Lightspeed Bear Image Co., Ltd. Director of Da Jyun Capital Investment Corporation	Chairman of Bedbixiu Investment Co., Ltd. Chairman of SunDance Entertainment International Chairman of Lightspeed Bear Image Co., Ltd. Director of Da Jyun Capital Investment Corporation	—	—	—
Director	R.O.C	Representative of Bedbixiu Investment Co., Ltd.: Tang, Hung-te	M / 57	2021.07.20	3ys	2015.06.30	505,000	0.87%	505,000	0.74%	—	—	—	—	Bachelor of Business Administration at Fu Jen Catholic University Supervisor of Taiyen Biotech Co., Ltd. Chairman of SunDance Entertainment	Director of Da Jyun Capital Investment Corporation President of Metatech (AP) INC.	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
															International Manager of JihSun Bank Director of Cheer Digiart Inc Director of A Shine Biotech Corp.				
Director	R.O.C	Representative of Bedbixiu Investment Co., Ltd.: Wang, Hui-chun	M / 77	2021.07.20	3 yrs	2020.2.14	—	—	—	—	—	—	—	—	PhD, Chemistry Department of University of Illinois Urbana-Champaign Bachelor and Master of Chemistry Department of National Taiwan University Guest lecture of Biomedical Translational Research Center at Sinica, Specially appointed researcher and president of department of biochemistry Deputy chairman of Sinica	Independent director of Standard Chem. & Pharm. CO., LTD Independent director of Lin BioScience, Inc. Chairman of Up Cell Biomedical Inc. Guest Professor, Biomedical Translational Research Center at Sinica Lecture professor of translational medicine program at Taipei Medical University Director of Taipei Medical University			

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
Director	R.O.C	Representative of Bedbixiu Investment Co., Ltd.: Yang, Hung-jen	M / 54	2022.03.21	3 ys	2022.03.21	—	—	—	—	—	—	—	—	Bachelor of Medical at Taiwan University Master of Public Health at Harvard University Master of Health Science at John. Hopkins College MBA of Peter F.Drucker Academy Visiting Scholar at Stanford University President of Min-Sheng General Hospital Director of Sharehope Medicine Co., Ltd. President of Smile Angel Hospital	President of Missioncare Chairman of United Medical Foundation Taiwan Chairman of Sharehope Medicine Co., Ltd. Director of Crystalvue Medical Corporation Director of China BenQ Medical Invested Director of Locus Cell Co., Ltd. Chairman of Medzoneasia Co., Ltd. Chairman of Honghan Health Business Co., Ltd. Chairman of Fuyi Health Management Consulting Co., Ltd. Chairman of Digimed	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
																Co., Ltd. Deputy chairman of Pregetic Medical Health Co., Ltd Director of Macro Co., Ltd. Chairman of Mission Care Co., Director of Min-Sheng Asset Management Co., Ltd. Director of YES Health Co., Ltd. Director of TECHGROUP Integrate Design Co., Ltd. Director of GlobalBio Media Co., Ltd. Director of Hematech Biotherapeutics Inc., Supervisor of Capital Healthcare Ventures Co., Ltd.			

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
																Supervisor of VELTER ASIA CORP			
Director	R.O.C	Jun Investment International Co., Ltd.	—	2021.07.20	3 ys	2018.6.25	5,450,000	9.39%	3,601,516	5.28%	—	—	—	—	—	Supervisor of MA SHEN KAI RUEI CO., LTD. Legal director and supervisor of EDORA PARK CO., LTD. Legal director and supervisor of Junbao Construction Co., Ltd. Legal director of Cleanaway Company Limited. Legal director of Locus Cell Co., Ltd. Legal director of Yongxin Multimedia Co., Ltd. Legal director of BELX BIO-Pharmaceutical Co.LTD	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
	R.O.C	Representative of Jun Investment International Co., Ltd.: Lai, Kuan-ling	F / 54	2021.07.20	3 ys	2021.07.20	—	—	—	—	—	—	—	—	PhD, Department of Mechanical Engineering and Energy at Kun Shan University President and Director of Jun Investment International Co., Ltd. President and Director of Shin Yeong An Cable TV Co., Ltd. President and Director of Ma Zhen Kai Rui Co., Ltd. President and Director of Ta Yang Cable Television Co., Ltd. Director of Jun Investment Supervisor of Junbao Construction Co., Ltd. Supervisor of MA SHEN KAI RUEI CO., LTD. Director of He Cao Charity Foundation Director of Leaders Foundation Adjunct Assistant Professor of Kun Shan University	President and director of Jun Investment International Co., Ltd. Director of EDORA PARK CO., LTD. Supervisor of Junbao Construction Co., Ltd. Supervisor of MA SHEN KAI RUEI CO., LTD. Director of He Cao Charity Foundation Director of Leaders Foundation Adjunct Assistant Professor of Kun Shan University	—	—	—
Director	R.O.C	National Development Fund, Executive Yuan	—	2021.07.20	3 ys	2018.6.25	2,777,000	4.79%	3,159,928	4.64%	—	—	—	—	—	Legal director of Genovate Biotechnology Co., Ltd. Legal director of Taiwan Biotech Co.,Ltd	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
																Legal director of ScinoPharm Taiwan, Ltd. Legal director of Taiwan Flower Biotechnology Co., Ltd. Legal director of United Biomedical, Inc., (Asia) Legal director of ADIMMUNE Corporation Legal director of TaiGen Biopharmaceuticals Holdings Limited Legal director of PharmaEssentia Corp. Legal director of PharmaEngine Inc. Legal director of TaiAn Technologies Corporation			

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
															Legal director of TaiMed Biologics Legal director of EirGenix Inc. Legal director of Apex Medical Corp. Legal director of INTECH BIOPHARM LTD. Legal director of Point Robotics Medtech Inc. Legal director of Locus Cell Co., Ltd.				
	R.O.C	Represntative of National Development Fund , Executive Yuan: Wu, Ming-hsien	M / 58	2021.07.20	3 ys	2021.07.20	—	—	—	—	—	—	—	—	PhD, Department of Clinic Medical at Medical College, Taiwan University Distinguished Professor, Internal Medicine of Medical College at Taiwan University Chairman and Deputy Secretary of Gastroenterological	President of Taiwan University Hospital	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor			
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation	
														Society of Taiwan Secretary of Taiwan Society of Internal Medicine Director and Executive secretary of Taiwan Society of Medicine Taiwan University Hospital for Deputy chairman, Director of the Department of Internal Medicine, Director of Gastrointestinal Hepatobiliary Department, Director of the Health Management Center, Attending Physician of Internal Medicine, Chief Resident Doctor of Internal Medicine Medical College of Taiwan University for Deputy chairman and Director of the R&D						

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
															Department, Director of the Department of Medicine, Director, associate professor, assistant professor of the Department of General Medicine				
Independent Director	R.O.C	Wang, Wen-chu	M / 66	2021.07.20	3 ys	2015.06.30	—	—	—	—	—	—	—	—	Bachelor, Department of Pharmacy at National Taiwan University President of Advanced International Head of Biomedical Inc. Sales and Marketing group in Purzer Pharmaceutical Co., Ltd. President of Fresenius Kabi Taiwan Consultant of Genuine Chemical Pharmaceutical Co., Ltd. President of Medicine department at Monsanto Far East Ltd., Taiwan	Supervisor of Healthy Aging Healthcare Co., Ltd. Chairman of Trinergy Limited Supervisor of SUNHON BioTechnology Co., Ltd	—	—	—

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation
														Branch Group President of GlaxoSmithKline, Taiwan Sales and Marketing manager of Zuellig Pharma, Inc Product/Sales manager of Meizhansike Co., Ltd. Sales lead of Boehringer Ingelheim Co., Ltd. President of Bio-Juvenate Biotechnology Co., Ltd.					
Independent Director	R.O.C	Yang, Shih-chie	M / 68	2021.07.20	3 ys	2021.07.20	—	—	—	—	—	—	—	Bachelor, Department of Applied Economics, National Chung Hsing University Master, Department of Economics at Chinese Culture University Associate, Department of Secretary of Taiwan Stock Exchange Lecturer, School of Continuing Education, Fu	Independent director of K Way Information Corporation	—	—	—	

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor			
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation	
														Jen Catholic University Adjunct lecturer, Department of Economic, School of Continuing Education, Chinese Culture University Qualified lecturer, Fu Jen Catholic University						
Independent Director	R.O.C	Chiu, Chun-jung	M / 55	2021.07.20	3 ys	2021.07.20	—	—	—	—	—	—	—	—	PhD, Department of Economic at National Taiwan University Director of department of Economic at National Central University Deputy chairman, College of Management at National Central University President, College of Finance at Takming University of Science and Technology President, Takming University	Professor, Department of Economic at National Central University	—	—	—	

Title	Nationality	Name	Sex/ Age	Date on Board	Term	Date on Board Date on Board for the First Time	Shareholdings on Board		Current Shareholdings		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in this Company and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor			
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation	
														Associate professor, Professor and Director, Department of Industrial Economics at Tamkang University Deputy chairman, Taiwan Institute of Economic Research Chairman, Foundation for Future Generation, Taiwan Independent director, Taiwan Financial Holdings Vice Chairperson, National Development Council Committee of National Financial Stabilization Fund						

Note:

1. Hu, Li-san, the director of the legal representative, Beidebixiu Investment Co., Ltd., was re-elected and resigned on July 20, 2021.
2. Chao, Hung-chang, the director of the legal representative, Da Jyun Capital Investment Corporation., was re-elected and resigned on July 20, 2021.
3. Wu, Chen-lung, the director of the legal representative, Jun Investment International Co., Ltd., was re-elected and resigned on July 20, 2021.
4. He, Hung-neng, the director of the legal representative, National Development Fund, Executive Yuan, was re-elected and resigned on July 20, 2021.

5. Chen, Jung-hua, the independent director was re-elected and resigned on July 20, 2021.
6. Wu, Jung-yi, the independent director was re-elected and resigned on July 20, 2021.
7. Due to personal reasons, Wu, Chun-yi, the director of the legal representative, Jun Investment International Co., Ltd., resigned on December 23, 2021. After the resignation, the director number of Jun Investment changed to 1 seat from 2 seats.
8. The director of legal representative, Beidebixiu Investment Co., Ltd. was re-appointed as Yang, Hung-jen from Chen, Jui-chie on March 21, 2022.

(2) Main shareholder of legal shareholder:

May 1 st , 2022	
Name of legal shareholder	Main shareholder of legal shareholder
Bedbixiu Investment Co., Ltd.	He, Jou-hsien (98.33%), Chen, Tsung-Chi (1.67%)
Jun Investment International Co., Ltd.	Wu, Chen-lung (54%), Wu, Chun-yi (23%), Wu, Yi-chi (23%)
National Development Fund, Executive Yuan	—
Da Jyun Capital Investment Corporation	Chen, Chiao-fei (96.67%), Chen, Tsung-Chi (3.33%)

Main shareholder is other legal shareholder: No

2.Information of Director and Supervisor

(2) Information of Director and Supervisor

1.The disclosure of the professional qualification and criteria of independence for the directors and supervisors

Name Condition	Professionals and Experience (Note 1)	Criteria of independence (Note 2)	Concurrent Positions in Other Companies
Representative of Da Jyun Capital Investment Corporation: Yang, Chih-hui	Ph.D., Institute of Pharmacy, Kaohsiung Medical University Vice Superintendent, College of Medicine, I-Shou University Professor, Department of Biotechnology, I-Shou University Without any event mentioned in Article 30 of the Company Act	—	No
Representative of Bedbixiu Investment Co., Ltd.: Chen, Tsung-Chi	Department of Communication and Management, Shih Hsin University Chairman of Bedbixiu Investment Co., Ltd. Chairman of SunDance Entertainment International Without any event mentioned in Article 30 of the Company Act	—	No
Representative of Bedbixiu Investment Co., Ltd. : Tang, Hung-te	Bachelor of Business Administration at Fu Jen Catholic University Superviros, Taiyen Biotech Co., Ltd. Chairman, SunDance Entertainment International Manager of JihSun Bank Without any event mentioned in Article 30 of the Company Act	—	No

<p>Representative of Bedbixiu Investment Co., Ltd.: Yang, Hung-jen</p>	<p>Bachelor of Medicine, National Taiwan University Master of Public Health, Harvard University Master of Health Sciences, Johns Hopkins MBA of Peter F.Drucker Academy Visiting Scholar at Stanford University Superintendent of Min-Sheng General Hospital Superintendent of Smile Angel Hospital Without any event mentioned in Article 30 of the Company Act</p>	<p>—</p>	<p>No</p>
<p>Representative of Bedbixiu Investment Co., Ltd.: Wang, Hui-chun</p>	<p>PhD, Chemistry Department of University of Illinois Urbana-Champaign Bachelor and Master of Chemistry Department of National Taiwan University Lecturer of Biomedical Translational Research Center at Sinica Distinguished Researcher and Chairman, Institute of Biochemistry Vice Superintendent of Academia Sinica Center Vice Superintendent of Academia Sinica Center Without any event mentioned in Article 30 of the Company Act</p>	<p>—</p>	<p>Independent director, Standard Chem. & Pharm. CO., LTD Independent director, Lin BioScience, Inc.</p>
<p>Representative of Jun Investment International Co., Ltd.: Lai, Kuan-ling</p>	<p>PhD, Department of Mechanical Engineering and Energy at Kun Shan University President and Director, Jun Investment International Co., Ltd. Without any event mentioned in Article 30 of the Company Act</p>	<p>—</p>	<p>No</p>

<p>Representative of National Development Fund, Executive Yuan: Wu, Ming-hsien</p>	<p>PhD, Department of Clinic Medical at Medical College, Taiwan University Distinguished Professor, Internal Medicine of Medical College at Taiwan University Chairman and vice Secretary-general, the Gastroenterological Society of Taiwan Superintendent, Taiwan University Hospital Without any event mentioned in Article 30 of the Company Act</p>	<p>—</p>	<p>No</p>
<p>Independent director Wang, Wen-chu</p>	<p>Bachelor, Department of Pharmacy at National Taiwan University President, Advanced International Biomedical Inc. Director of sales and marketing, Purzer Pharmaceutical Co., Ltd. Without any event mentioned in Article 30 of the Company Act</p>	<p>The spouse or relatives within the second degree of relative does not work as directors, supervisors or employees of the Company or affiliated companies. The Independent Director does not hold any shares with 0% of the Company's shares, neither does not work as a director, supervisor or employee of the specific affiliated with the Company. In the last 2 years, the Company or the affiliated companies have not provided the Independent Director with the remuneration for business, legal, financial, accounting and other services.</p>	<p>No</p>
<p>Independent director Yang, Shih-chie</p>	<p>Bachelor, Department of Applied Economics, National Chung Hsing University Associate Secretary , Taiwan Stock Exchange Without any event mentioned in Article 30 of the Company Act</p>	<p>The spouse or relatives within the second degree of relative does not work as directors, supervisors or employees of the Company or affiliated companies. The Independent Director does not hold any shares with 0% of the Company's shares, neither does not work as a director, supervisor or employee of the specific affiliated with the Company. In the last 2 years, the Company or the affiliated companies have not provided the Independent Director with the remuneration for business, legal, financial, accounting and other services.</p>	<p>Independent director, K Way Information Corporation</p>

Independent director Chiu, Chun-jung	PhD, Department of Economic at National Taiwan University President, Department of Economic at National Central University Professor, Department of Economic at National Central University Without any event mentioned in Article 30 of the Company Act	The spouse or relatives within the second degree of relative does not work as directors, supervisors or employees of the Company or affiliated companies. The Independent Director does not hold any shares with 0% of the Company's shares, neither does not work as a director, supervisor or employee of the specific affiliated with the Company. In the last 2 years, the Company or the affiliated companies have not provided the Independent Director with the remuneration for business, legal, financial, accounting and other services.	No
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2. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors: Specify the diversity policies, goals and achievements of the Board of Directors. The diversity policy includes, but is not limited to, the selection criteria of directors, the professional qualifications and experience of the Board of Directors, the composition or proportion of gender, age, nationality and culture. In addition, the specific goals and achievement of the company are stated in the aforementioned policy.

I. Diversity Policy of the Board of Directors

The Company strengthens the functional norms of the Board of Directors in accordance with Article 23 of Chapter III of the “Corporate Governance Best Practice Principles” formulated by the Company. The composition of the Board of Directors shall be diversified. Except that the ration of directors, who are concurrent managers of the Company, shall not exceed one-third of all directors, the Company shall formulate the appropriate diversification policies regarding its own operations, operating style and development requirements, which shall include but not limited to the following the standards from two main directions:

(1) Basic conditions and values: gender, age, nationality, culture, and so on.

(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, and so on.

The current Board of Directors of the Company consists of 10 directors (Due to personal reasons, Wu, Chun-yi, the director of the legal representative of Jun Investment International Co., Ltd., resigned on December 23, 2021. After the resignation, the director number of Jun Investment changed to 1 seat from 2 seats. Therefore, the director number of the company in 9th session decreased to 10 from 11), including 3 independent directors and 7 legal representative directors. The members have financial, business, management, industrial knowledge and other fields, with rich production, academic and experience.

2. Specific Management Objectives

In accordance with the Paragraph 4, Article 23 of Chapter 3 in “Corporate Governance Best-Practice Principles” formulated by the Company, the members of the Board of Directors shall generally possess the required knowledge, skills and background. In order to achieve the goal of corporate governance, the overall capabilities of the Board of Directors are as follows:

- (1) Operation Judgement
- (2) Accounting and Financial Analysis
- (3) Operation and Management
- (4) Crisis Management
- (5) Industrial Knowledge
- (6) International Market Insight
- (7) Leadership

(8) Decision-making

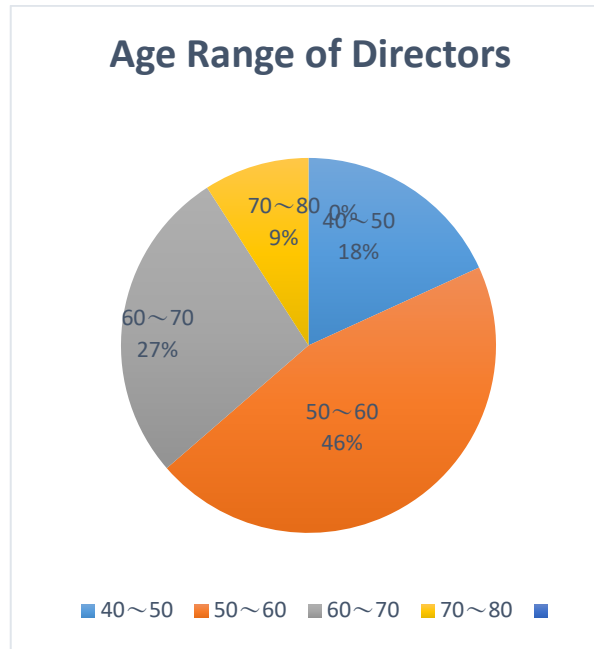
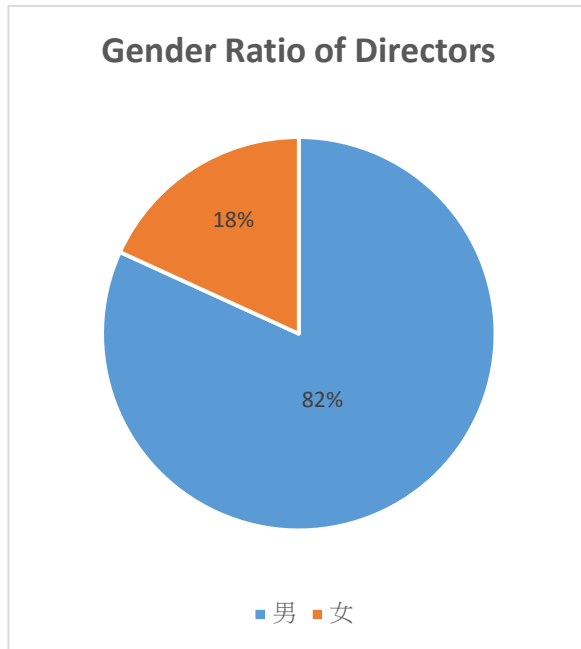
Evaluate the 10 directors of the 9th session of the Company (Due to personal reasons, Wu, Chun-yi, the director of the legal representative of Jun Investment International Co., Ltd., resigned on December 23, 2021. After the resignation, the director number of Jun Investment changed to 1 seat from 2 seats. Therefore, the director number of the company in 9th session decreased to 10 from 11). In addition to ability of leadership, decision-making, operational judgment, crisis management and international market outlook, 72.73% of director have financial analysis skills; 72.73% of director have business management skills; and 45.45% of directors contribute their industry knowledge; among them, Director Wu, Ming-hsien (superintendent of Taiwan University Hospital), Director Chen, Jui-chie (former superintendent of Taipei Medical University Hospital), Director Yang, Chih-hui (former vice superintendent of E-Da Hospital, and also the current chairman of the Company), and the Director Wang, Hui-chun (former vice president of Academia Sinica) not only gave many advices on the Company's management and industry knowledge, they but also contributed a lot in new product promotion and marketing strategies.

3. Achievement Status

The Board of Directors of the Company shall guide the Company's strategy, supervise the management level, and be responsible to the company and shareholders. The operations and arrangements of its corporate governance shall ensure that the Board of Directors exercises its powers in accordance with regulations, the corporate by-laws, or resolutions of the shareholders' meeting. The directors of the Company have the relevant capability of knowledge, skills, literacy, industrial decision-making and management. The Company also keeps arranging various continued education for board members to improve their decision-making quality and fulfill their supervisory responsibilities, thereby even improving the Board of Directors. In addition, the Company paid attention to gender equality in the composition of the Board of Directors, in which there is at least one female director. In re-election of the 9th session (July 20, 2021), one more new director was added, so totally 2 female board members.

4. The Implementation Status of Diversification of Board of Directors as following:

As of December 31st, 2021



Diversification Standard Core	Composition						Operation Judgement	Accounting and Financial Analysis	Operation and Management	Crisis Management	Industrial Knowledge	International Market Insight	Leadership	Decision-making
	Term of office of independent director			Gender	Adjunct employee of Company	Age range (year)								
	below 3 years	3 to 9 years	Above 9 years											
Name of Director														
Wu, Ming-hsien				Male		50~60	V	V	V	V	V	V	V	V
Wu, Chun-yi (Note 5)				Male		40~50	V	V	V	V		V	V	V
Lai, Kuan-ling				Female		50~60	V	V	V	V		V	V	V
Yang, Chih-hui				Female		40~50	V		V	V	V	V	V	V
Chen, Tsung-Chi				Male		50~60	V		V	V	V	V	V	V
Tang, Hung-te				Male	v	50~60	V	V	V	V	V	V	V	V
Wang, Hui-chun				Male		70~80	V		V	V	V	V	V	V
Chen, Jui-chie (Note 6)				Male		60~70	V		V	V	V	V	V	V
Wang, Wen-chu		v		Male		60~70	V	V	V	V	V	V	V	V
Yang, Shih-chie	v			Male		60~70	V	V		V		V	V	V
Chiu, Chun-jung	v			Male		50~60	V	V		V		V	V	V

Note: 1. The proportion of directors of the Company concurrently with employee status: 1/10 (10%)

2. Proportion of independent directors: 3/10 (30%)

3. Proportion of female directors: 2/10 (20%)

4. Proportion of independent directors who have served for more than 9 years: 0

5. Due to personal reasons, Wu, Chun-yi, the director of the legal representative of Jun Investment International Co., Ltd., resigned on December 23, 2021. After the resignation, the director number of Jun Investment changed to 1 seat from 2 seats.

6. The legal director of Beidebixiu Investment Co., Ltd. replaced Chen, Jui-chie to Yang, Hung-jen as the representative of the legal director on March 21, 2022.

(2) Independence of the Board of Directors: specify the number and proportion of the independent directors, explain the independence of the Board of Directors, and provide the reasons whether the director has circumstances stipulated in paragraph 3 and 4 in Article 26-3 of the Securities Exchange Act, including stating the status that the relationship of spouses and second degree of relatives existing between directors, supervisors, or directors and supervisors. The three independent directors of the Company are Wang, Wen-chu, Yang, Shih-chie, and Chiu, Chun-jung, accounting for 3/10 (30%). None of them have the circumstances stipulated in paragraph 3 and 4 of Article 26-3 of the Securities Exchange Act.

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If acting as members of the Audit committee with the professional in accounting or finance, the director or supervisor shall specify their accounting or financial background and work experience, and also indicate whether not having the event regarding Article 30 of the Company Act.

Note 2: The independent director shall explain the criteria of independency, which includes but not limit to: Have not served as a director, supervisor or employee of the Company and its affiliated companies; the number and proportion of shares held by relatives within the Company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the Company(Refer to the Paragraph 5~8 of Article 3-1 in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); No obtain any remuneration for providing the Company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.

Note 3: For disclosure methods, please refer to the best practice reference on the website of the Corporate Governance Center of the Taiwan Stock Exchange

2. Names, Shareholdings and Academic Qualifications/Experience of CEO (GM), Deputy chairmen, Senior Manager and the Manager of Each Department and Branch

As of the closing date of May 1st, 2022; unit: share

Title	Nationality	Name	Gender	Date on Board	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in Other Companies	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Share-holding %	Number of Shares	Share-holding %	Number of Shares	Title			Relation	Title	Name	Relation
President	R.O. C	Tang, Hung-te	M	2016.12.21	505,000	0.74%	—	—	—	—	Bachelor of Business Administration at Fu Jen Catholic University Director, Cheer Digiart Inc Representative of legal director, A Shine Biotech Corp Director, Da Jyun Capital Investment Corporation	Director, Da Jyun Capital Investment Corporation	—	—	—
Associate Director of Audit Office	R.O. C	Ni, Yung-fa	M	2019.08.13	—	—	—	—	—	—	Bachelor of Business Administration at Fu Jen Catholic University Financial manager, Global Biopharma, Inc. Associate of general management department, Dong Guan Lin Shiung Enterprise Co., Ltd. Host audit of Chun Yuan Steel Industry Co., Ltd.	—	—	—	
Associate Director, Department of Biomedical	R.O. C	Liu, Heng-yu (Note 1)	M	2016.04.01	—	—	—	—	—	—	Ph.D., Institute of Medical Sciences, Taipei Medical University CTO of A Shine Biotech Corp. Adjunct Assistant Professor,	CTO of Locus Cell Co., Ltd.	—	—	—

Title	Nationality	Name	Gender	Date on Board	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in Other Companies	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Share-holding	Number of Shares	Share-holding	Number of Shares	Title			Relation	Name	Title
Affairs											Department of Dentistry, College of Stomatology, Taipei Medical University Researcher, Stem Cell Research Center, Taipei Medical University				
Investor Relations Office Associate Director	R.O. C	Lin, Wen-chieh (Note 2)	M	2017.11.10	22,000	0.03%	—	—	—	—	Master of Law, Chinese Culture University Reporter, Taiwan Shin Sheng Daily News Convener of Financial Group, TVBS Special assistant, United Epitaxy Company Ltd. Associate manager of Ta Chong Securities Co., Ltd.	—	—	—	—
Associate Director of Finance Department	R.O. C	Chan, Chih-tsung	M	2017.11.10	—	—	—	—	—	—	Master of Accounting, National Dong Hwa University Vice manager, Deloitte & Touche	Director, Chien Hwa Travel Service Co., Ltd.	—	—	—
Associate Director, Taiwan Operations Office	R.O. C	Wang, Shih-chun	M	2018.10.31	—	—	3,000	0.004%	—	—	Department of International Business, Taipei City University of Science and Technology Head of Sales team, Fuchance Enterprise Co., Ltd.	—	—	—	—

Title	Nationality	Name	Gender	Date on Board	Shareholding		Shareholding of the Spouse and Underage Children			Shareholding Held in the Name of a Third Party		Academic Qualifications/Experience	Concurrent Positions in Other Companies	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
					Number of Shares	Share-holding	Number of Shares	Share-holding	Number of Shares	Title	Number of Shares			Title	Relation	Name	Title
Associate Director of the General Management Office	R.O.C	Teng, An-chih (Note 3)	M	2019.11.08	—	—	—	—	—	—	—	Master, The Institute of Health Policy and Management, National Taiwan University Lead of the Supply Office of the Administrative Center, Chang Gung Medical Foundation	Representative of Chien Hwa Travel Service Co., Ltd. Representative of MetaTech Investment Holding Co., Ltd. Representative of MITI Holding Co., Ltd.	—	—	—

Note 1: Liu, Heng-yu, director of the Biomedical Division, left on November 15, 2021. The position was temporarily replaced by Chen, Chien-chang, deputy director of the Biomedical Division.

Note 2: Lin, Wen-chieh, director of the Investor Relations Department, left on January 7, 2022. In addition, due to organizational adjustments, the Company announced on November 22, 2021 that the spokesperson was changed from Lin, Wen-chieh to Tang, Hung-te, the president of the Company.

Note 3: Teng, An-chih, director of the General Management Office, left on July 1, 2021, and the position was deputed by Chou, Hui-ching, vice director of the General Management Office.

Note 4: Each unit of stock that employee subscribes may be 1,000 shares of the Company's common stock.

Note 5: The reasons, rationality, necessity and countermeasures shall be disclosed while the president or whose equivalent position (the top manager) and the Chairman of the Board are the same person, or having relation of a spouse or a relative, and so on.

3. Remuneration Paid to Directors, Supervisors, CEO (GM) and Deputy chairmans (Disclose the name and Remuneration of individual)

(1) Remuneration of directors

December, 31st, 2021; Unit: NT\$thousand

Title	Name	Remuneration for Directors								Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%) (Note 10)		Remuneration Received by Concurrent Employees						Ratio of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 10)		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not (Note 11)		
		Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc.(C) (Note 3)		Employee Remuneration (D) (Note 4)		Wages, Bonus and Special Disbursement, etc. (E) (Note 5)		Pension (F)		Employee Remuneration (G) (Note 6)								
		This company	All companies listed in the Financial Reports (note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	Cash Bonus	Share Bonus			Cash Bonus	Share Bonus			
Chairman	Legal representative of Bedbixiu Investment Co., Ltd. Hu, Li-san (Note (1))	-	-	-	-	-	-	50	50	(0.21%)	(0.21%)	2,007	2,007	-	-	-	-	-	-	(8.53%)	(8.53%)	-
Chairman	Legal representative of Da Jyun Capital Investment Corporation: Yang, Chih-hui	-	-	-	-	-	-	80	80	(0.33%)	(0.33%)	1,512	1,512	-	-	-	-	-	-	(6.60%)	(6.60%)	-

Deputy chairman	Legal representative of Bedbixiu Investment Co., Ltd.: Chen, Tsung-Chi							40	40	(0.17%)	(0.17%)	118	118	7	7					(0.68%)	(0.68%)	
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Tang, Hung-te	-	-	-	-	-	-	80	80	(0.33%)	(0.33%)	3,213	3,213	108	108	-	-	-	-	(14.10%)	(14.10%)	-
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Wang, Hui-chun	-	-	-	-	-	-	80	80	(0.33%)	(0.33%)	600	600	36	36	-	-	-	-	(2.97%)	(2.97%)	-
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Chen, Jui-chie	-	-	-	-	-	-	70	70	(0.29%)	(0.29%)	-	-	-	-	-	-	-	-	(0.29%)	(0.29%)	-
Director	Legal representative of National Development Fund, Executive Yuan: He, Hung-neng (Note(1))	-	-	-	-	-	-	30	30	(0.12%)	(0.12%)	1,150	1,150	-	-	-	-	-	-	(4.89%)	(4.89%)	-

Director	Legal representative of Jun Investment International Co., Ltd.: Wu, Chen-lung(Note(1))	-	-	-	-	-	-	40	40	(0.17%)	(0.17%)	-	-	-	-	-	-	-	-	(0.17%)	(0.17%)	-
Director	Legal representative of Da Jyun Capital Investment Corporation: Chao, Hung-chang(Note(1))	-	-	-	-	-	-	30	30	(0.12%)	(0.12%)	-	-	-	-	-	-	-	-	(0.12%)	(0.12%)	-
Director	Legal representative of Jun Investment International Co., Ltd.: Wu, Chun-yi(Note(2))	-	-	-	-	-	-	30	30	(0.12%)	(0.12%)	-	-	-	-	-	-	-	-	(0.12%)	(0.12%)	-
Director	Legal representative of Jun Investment International Co., Ltd.: Lai, Kuan-ling							40	40	(0.17%)	(0.17%)									(0.17%)	(0.17%)	-

Director	Legal representative of National Development Fund, Executive Yuan: Wu, Ming-hsien								40	40	(0.17%)	(0.17%)								(0.17%)	(0.17%)	-
<p>1. Please specify the policy, system, standard and structure of remuneration for independent directors, as well as specify the correlation with the amount of remuneration according to the responsibilities, risks, engaging time and other factors:</p> <p>The remuneration of independent directors of the Company was handled in accordance with the resolution of the 22nd meeting of the 7th sessions Board of Directors of the Company. A fixed remuneration amount of part-time is paid according to the director's status.</p> <p>2. In addition to the disclosure in the above table, the remuneration received by the directors of the Company for providing services (such as serving as consultants for non-employees of all companies/re-investment undertakings in the parent company/financial report, etc.) in the most recent year:</p> <p>Director He, Hung-neng served as a biotechnology development consultant of the Company and received NT\$1,150,000 of consulting fees in 2021. Director Wang, Hui-chun served as the Company's chief biotechnology analyst and received NT\$636,000 of salary in 2021. The remaining directors only received the attendance fee of the Board meeting.</p>																						

The Remuneration of Independent director

Title	Name	Remuneration for Directors								Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%) (Note 10)	Remuneration Received by Concurrent Employees						Ratio of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 10)	Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not (Note 11)			
		Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc.(C) (Note 3)		Employee Remuneration (D) (Note 4)			Wages, Bonus and Special Disbursement, etc. (E) (Note 5)		Pension (F)		Employee Remuneration (G) (Note 6)						
		This company	All companies listed in the Financial Reports (note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)		This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	Cash Bonus	Share Bonus			Cash Bonus	Share Bonus	
Independent director	Chen, Jung-hua(Note 1))	331	331	-	-	-	-	40	40	(1.54%)	(1.54%)	-	-	-	-	-	-	-	(1.14%)	(1.14%)	-

Independent director	Wang, Wen-chu	600	600	-	-	-	-	80	80	(2.82%)	(2.82%)	-	-	-	-	-	-	-	-	(2.09%)	(2.09%)	-
Independent director	Wu, Jung-yi (Note (1))	331	331	-	-	-	-	40	40	(1.54%)	(1.54%)	-	-	-	-	-	-	-	-	(1.14%)	(1.14%)	-
Independent director	Yang, Shih-chie	269	269					40	40	(1.28%)	(1.28%)									(0.95%)	(0.95%)	-
Independent director	Chiu, Chun-jung	269	269	-	-	-	-	40	40	(1.28%)	(1.28%)	-	-	-	-	-	-	-	-	(0.95%)	(0.95%)	-

1. Please specify the policy, system, standard and structure of remuneration for independent directors, and specify the correlation with the amount of remuneration paid according to the responsibilities, risks, investment time and other factors.:

The remuneration of independent directors of the Company was handled in accordance with the resolution of the 22nd meeting of the 7th sessions Board of Directors of the Company, and a fixed remuneration amount of part-time was paid according to the independent director's status.

2. Except as disclosed in the table above, the remuneration received by the directors of the Company for services provided in the most recent year (such as serving as consultants for non-employees of the parent company/all companies/re-investment undertakings in the financial report, etc.): None

Remuneration of directors (including independent directors) (summary and disclosure of names in line with level)

Title	Name	Remuneration for Directors				Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%) (Note 10)	Remuneration Received by Concurrent Employees				Ratio of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 10)		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not (Note 11)	
		Wages (A) (Note 2)	Pension (B)	Bonus and Special Disbursement, etc.(C) (Note 3)	Employee Remuneration (D) (Note 4)		Wages, Bonus and Special Disbursement, etc. (E) (Note 5)	Pension (F)	Employee Remuneration (G) (Note 6)		This company	All companies		
									Cash Bonus	Share Bonus				Cash Bonus
		All companies listed in the Financial Reports (note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	All companies listed in the Financial Reports(note 7) This company	
Chairman	Legal representative of Bedbixiu Investment Co., Ltd.: Hu, Li-san													
Chairman	Yang, Chih-hui													
Deputy chairman	Chen, Tsung-Chi													

Director	Legal representative of Bedbixiu Investment Co., Ltd.: Tang, Hung-te																					
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Wang, Hui-chun (Note 1)																					
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Chen, Jui-chie				-	-	-	610	610	(2.53%)	(2.53%)	8,600	8,600	151	151	-	-	-	-	(38.81%)	(38.81%)	-
Director	Legal representative of National Development Fund, Executive Yuan: He, Hung-neng																					
Director	Legal representative of Jun Investment International Co., Ltd.: Wu, Chen-lung																					

Director	Legal representative of Da Jyun Capital Investment Corporation: Yang, Chih-hui																		
Director	Legal representative of Da Jyun Capital Investment Corporation: Chao, Hung-chang																		
Director	Wu, Chun-yi																		
Director	Lai, Kuan-ling																		
Director	Wu, Ming-hsien																		

1. Please specify the policy, system, standard and structure of remuneration for independent directors, and specify the correlation with the amount of remuneration paid according to the responsibilities, risks, investment time and other factors.:

The remuneration paid by the Company to directors can be divided into two types: directors' remuneration and business execution expenses. The remuneration of directors and supervisors is based on the Article 16 of the corporation by-laws. If there is a surplus in the Company's annual general final accounts, tax shall be paid first to make up for past losses. The next 10% shall be the statutory surplus reserve. The remaining amount, together with the unallocated surplus of the previous year, shall be submitted by the Board of Directors to the shareholders' meeting for resolution to retain or distribute. Among the separately distributed shareholder dividends, the proportion of cash dividends paid is not less than 30%, and the rest are paid in the form of stock dividends and resolved by the shareholders' meeting. Since the remuneration is set at a fixed level, it does not depend on the current year's surplus level and future risks, so it has no relative impact on the company's operating performance. The Company has not yet agreed on the remuneration of directors, and each director only received the attendance fee of the Board of Directors.

2. Except as disclosed in the table above, the remuneration received by the directors of the company for providing services (such as serving as consultants for non-employees of the parent company/all companies/re-investment undertakings in the financial report, etc.) in the most recent year:

Director He, Hung-neng served as a biotechnology development consultant of the Company and received NT\$1,150,000 of consulting fees in 2021. Director Wang, Hui-chun served as the Company's chief biotechnology analyst and received NT\$636,000 of salary in 2021. The remaining directors only received the attendance fee of the Board meeting.

* Please list the relevant information of directors (non-independent directors) and independent directors separately.

Remuneration of independent directors (Summary and disclosure of names in line with level)

Title	Name	Remuneration for Directors						Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%)		Remuneration Received by Concurrent Employees						Ratio of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After Tax (Note 10)	(note 11)	Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not			
		Wages (A) (note 2)		Pension (B)		Bonus and Special Disbursement, etc.(C) (note 3)		Employee Remuneration (D) (note 4)		Wages, Bonus and Special Disbursement, etc. (E) (note 5)		Pension (F)		Employee Remuneration (G) (note 6)							
		This company	All companies listed in the Financial Reports (note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	This company	All companies listed in the Financial Reports(note 7)	Cash	Share				Cash	Share	
Independent director	Chen, Jung-hua	1,800	1,800				240	240	(8.46%)	(8.46%)									(6.2)	(6.26%)	

Pay Band of Directors' Remuneration

All Types of the Remuneration Paid to Each Remuneration for Directors of this Company	Director name			
	Top four Remuneration budgets (A+B+C+D)		Total first seven remuneration (A+B+C+D+E+F+G)	
	This company (note 8)	All companies listed in the Financial Reports (Note 9)	This company (note 8)	All companies listed in the Financial Reports (Note 9)
Below \$1,000,000	Hu, Li-san, Yang, Chih-hui, Chen, Tsung-Chi, Tang, Hung-te, Wang, Hui-chun, Chen, Jui-chie, He, Hung-neng, Wu, Chen-lung, Chao, Hung-chang, Wu, Chun-yi, Lai, Kuan-ling, Wu, Ming-hsien	Hu, Li-san, Yang, Chih-hui, Chen, Tsung-Chi, Tang, Hung-te, Wang, Hui-chun, Chen, Jui-chie, He, Hung-neng, Wu, Chen-lung, Chao, Hung-chang, Wu, Chun-yi, Lai, Kuan-ling, Wu, Ming-hsien	Chen, Tsung-Chi, Wang, Hui-chun, Chen, Jui-chie, Wu, Chen-lung, Chao, Hung-chang, Wu, Chun-yi, Lai, Kuan-ling, Wu, Ming-hsien	Chen, Tsung-Chi, Wang, Hui-chun, Chen, Jui-chie, Wu, Chen-lung, Chao, Hung-chang, Wu, Chun-yi, Lai, Kuan-ling, Wu, Ming-hsien
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	—	—	Yang, Chih-hui, He, Hung-neng	Yang, Chih-hui, He, Hung-neng
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	—	—	Hu, Li-san, Tang, Hung-te	Hu, Li-san, Tang, Hung-te
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	—	—	—	—
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	—	—	—	—
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	—	—	—	—
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	—	—	—	—
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	—	—	—	—
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	—	—	—	—
Over \$100,000,000	—	—	—	—
Total	12	12	12	12

Pay Band of Independent Directors' Remuneration

All Types of the Remuneration Paid to Each Remuneration for Directors of this Company	Director name			
	Top four Remuneration budgets (A+B+C+D)		Total first seven remuneration (A+B+C+D+E+F+G)	
	This company (note 8)	All companies listed in the Financial Reports (Note 9)	This company (note 8)	All companies listed in the Financial Reports (Note 9)
Below \$1,000,000	Chen, Jung-hua, Wang, Wen-chu, Wu, Jung-yi, Yang, Shih-chie, Chiu, Chun-jung	Chen, Jung-hua, Wang, Wen-chu, Wu, Jung-yi, Yang, Shih-chie, Chiu, Chun-jung	Chen, Jung-hua, Wang, Wen-chu, Wu, Jung-yi, Yang, Shih-chie, Chiu, Chun-jung	Chen, Jung-hua, Wang, Wen-chu, Wu, Jung-yi, Yang, Shih-chie, Chiu, Chun-jung
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	—	—	—	—
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	—	—	—	—
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	—	—	—	—
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	—	—	—	—
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	—	—	—	—
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	—	—	—	—
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	—	—	—	—
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	—	—	—	—
Over \$100,000,000	—	—	—	—
Total	5	5	5	5

Note 1: The names of directors shall be listed separately (legal shareholders shall list the names of legal shareholders and the representatives separately), and directors and independent directors shall be listed separately, and the payment amounts shall be disclosed in a summary. If a director is concurrently the president or deputy president, then it is required to fill in the Form and the form below (3-1), or the form below (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including the directors' salaries, job bonuses, severance pay, various bonuses, incentives, and so on).

Note 3: The amount of directors' remuneration was approved by the Board of Directors in the most recent year.

Note 4: It refers to the relevant business execution expenses of directors in the most recent year (including transportation fees, special expenses, various allowances, dormitories, car, etc. provided in utilities.). If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant salary of the driver paid by the company, but it is not included in the remuneration.

Note 5: It refers to the relevant business execution expenses of directors concurrent to the employee (including concurrent president, deputy chairman, other managers and employee) in the most recent year (including transportation fees, special expenses, various allowances, dormitories, car, etc. provided in utilities.). If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant salary of the

driver paid by the company, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 “Share-based payment” shall also be included in the remuneration, including obtaining employee stock warrants, restricting the employee rights to new shares, and participating in cash capital increases to buy for shares, and so on.

Note 6: It refers to the directors who concurrently with the employee (including concurrent president, VP, other managers and employees) have received employee remuneration (including stocks and cash) in the most recent year, then the amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated in proportion to the actual distribution amount last year, and a separate Schedule 1-3 should be filled in.

Note 7: Shall disclose the total amount of remuneration paid by all companies (including the Company) to the directors of the Company in the consolidated report

Note 8: Shall disclose the total amount of remuneration paid by the Company to each director in the directors versus the corresponding level.

Note 9: Shall disclose the total amount of remuneration paid by all companies (including the company) to each director of the Company and the names of directors versus the corresponding level in the consolidated report.

Note 10: Net profit after tax refers to the net profit after tax reported by the parent company only financial statement or the individual financial statements in the most recent year.

Note 11: a. The Column shall clearly indicate the amount of remuneration received by the directors of the company from non-subsidiary investment undertakings or related remuneration of the parent company (if no, please fill in “none”).

b. If the directors of the company receive remuneration related to the re-investment business or the parent company other than the subsidiary, the remuneration received by the directors of the company for the re-investment business or the parent company other than the subsidiary shall be incorporated into Column I of the remuneration scale, and the name of the column shall be changed to “Parent company and all re-investment undertakings”.

c. Remuneration refers to the payment, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses and other related remuneration received by the directors of the Company as directors, supervisors or managers of the non-subsidiary re-investment business or the parent company.

*The content of remuneration disclosed in the Table is different from the concept of income in the Income Tax Act. Therefore, the Table is for information disclosure purposes and not for taxation purposes.

Note: (1). Hu, Li-san, director representative of Beidebixiu Investment Co., Ltd., legal director, Chao, Hung-chang, director representative of Da Jyun Capital Investment Corporation, legal director, Wu, Chen-lung, director representative of Junmao International Co., Ltd., legal director, He, Hung-neng, director representative of the National Development Fund Management Association of the Executive Yuan, Independent director Chen, Jung-hua, independent director Wu, Jung-yi was re-elected and resigned on July 20, 2021.

(2). Due to personal reasons, Wu, Chun-yi, the director of the legal representative of Jun Investment International Co., Ltd., resigned on December 23, 2021. After the resignation, the director number of Jun Investment changed to 1 seat from 2 seats.

(2) Remuneration of CEO and VP (disclose names and remuneration of individual)

December, 31st, 2021; Unit: TWD thousand dollars

Title	Name	Wages (A) (note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C) (note 3)		Employee Remuneration (D) (note 4)				Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%) (Note 8)		Whether Receiving Remuneration from the Companies Invested by the Company Other Than the Subsidiaries of the Company or Not
		This Company	All Companies Specified in the Financial Statements (note 5)	This Company	All Companies Specified in the Financial Statements (note 5)	This Company	All Companies Specified in the Financial Statements (note 5)	This Company		All Companies Specified in the Financial Statements (not e 5)		This Company	All Companies Specified in the Financial Statements (note 5)	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Tang, Hung-te	3,080	3,080	108	108	213	213	-	-	-	-	(14.10)	(14.10)	-

* Regardless of the title, all positions equivalent to CEO and VP shall be disclosed (e.g. president, CEO, director...and so on.)

Pay Band of Remuneration of CEO and VP

All Types of the Remuneration Paid to Each Respective CEO, General Manager and VP of this Company	Names of CEO, General Manager and VP	
	This Company (Note 6)	All Companies Specified in the Financial Statements (Note 7)
Below \$1,000,000	—	—
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	—	—
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	Tang, Hung-te	Tang, Hung-te
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	—	—
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	—	—

\$10,000,000 (inclusive) ~\$15,000,000 (exclusive)	—	—
\$15,000,000 (inclusive) ~\$30,000,000 (exclusive)	—	—
\$30,000,000 (inclusive) ~\$50,000,000 (exclusive)	—	—
\$50,000,000 (inclusive) ~\$100,000,000 (exclusive)	—	—
Over \$100,000,000	—	—
Total	1	1

Note 1: The names of the president and deputy chairman shall be listed separately, and the payment amounts shall be disclosed in a summary manner. If a director is also the president or deputy chairman, filling this form and the above form (1-1), or (1-2-1) and (1-2-2), is needed.

Note 2: The salary, job bonus, and severance payment of the president and deputy chairman in the most recent year are listed.

Note 3: It refers to the relevant business execution expenses of CEO and VP in the most recent year (including transportation fees, special expenses, various allowances, dormitories, car, etc. provided in utilities.). If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant salary of the driver paid by the company, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 “Share-based payment “ shall also be included in the remuneration, including obtaining employee stock warrants, restricting the employee rights to new shares, and participating in cash capital increases to buy for shares, and so on.

Note 4: It is to fill in the amount of employee remuneration (including stocks and cash) of CEO and VP approved by the Board of Directors in the most recent year. If it is hard to estimate, the proposed distribution amount for this year was calculated in proportion to the actual distribution amount last year, and Schedule 1-3 should be filled in separately.

Note 5: Shall disclose the total amount of remuneration paid by all companies (including the Company) to the CEO and VP of the Company in the consolidated report.

Note 6: Shall disclose the total amount of remuneration paid by the company to each CEO and VP of the Company and the names of CEO and VP versus the corresponding level in the consolidated report.

Note 7: Shall disclose the total amount of remuneration paid by the company to each CEO and VP of the Company and the names of CEO and VP versus the corresponding level in the consolidated report.

Note 8: Net profit after tax refers to the net profit after tax reported by the parent company only financial statement or the individual financial statements in the most recent year.

Note 9: a. The Column shall clearly indicate the amount of remuneration received by the CEO and VP of the Company from the investment business other than the subsidiary or the parent company (if no, please fill in “none”).

b. If the CEO and VP of the Company receive remuneration related to the re-investment business or the parent company other than the subsidiary, the remuneration received by the CEO and VP of the Company for the re-investment business or the parent company other than the subsidiary shall be

incorporated into Column E of the remuneration scale, and the name of the column shall be changed to “Parent company and all re-investment businesses”.

c. Remuneration refers to the payment, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses and other related remuneration received by the CEO and VP of the Company which acting as directors, supervisors or managers of the subsidiary’s foreign investment business or the parent company.

* The content of remuneration disclosed in the Table is different from the concept of income in the Income tax Act. Therefore, the Table is for information disclosure purposes and not for taxation purposes.

(3) The name and distribution situation of the manager who distributes the employee’s remuneration: None.

(4) The names, job titles and dividend amounts of employee who have received the top ten employee dividends: None.

(5) Compare and explain the analysis of the total remuneration paid by the Company and all companies in the consolidated statements to the company’s directors, supervisors, CEO and VP in the last two years as a proportion of after-tax net profit, and explain the policies of remuneration, standards and combinations, the procedures for setting remuneration, and the correlation with operating performance and future risks.

1. Analysis table of the proportion of total remuneration paid by the Company to directors, supervisors, CEO and VP to after-tax net profit in the last two years.

As of December 31st, 2021; Unit: thousand dollars

Title	2020				2021			
	Total amount (thousand dollar)		Proportion of total amount to net profit after tax%		Total amount (thousand dollar)		Proportion of total amount to net (loss) profit after tax%	
	The Company	All re-investment companies	The Company	All re-investment companies	The Company	All re-investment companies	The Company	All re-investment companies
Director	2,360	-	(2.86)	-	2,650	-	(10.99)	-
Supervisor (note 1)	-	-	-	-	-	-	-	-
CEO & VP	3,338	-	(4.05)	-	3,401	-	(14.1)	-

Note 1: The Company has resolved to establish an audit committee to replace the function of supervisor at the first meeting of the 7th session Board of Directors on June 30, 2015.

2. The policie of remuneration for directors, standards and combinations and supervisors, the procedures for setting remuneration, and the relevance to business performance and future risks.

(1) The remuneration paid by the Company to directors can be divided into two types: directors' remuneration and business execution expenses. The remuneration of directors and supervisors is based on the Article 16 of the corporation by-laws. If there is a surplus in the Company's annual general final accounts, tax shall be paid first to make up for past losses. The next 10% shall be the statutory surplus reserve. The remaining amount, together with the unallocated surplus of the previous year, shall be submitted by the Board of Directors to the shareholders' meeting for resolution to retain or distribute.; Among the separately distributed shareholder dividends, the proportion of cash dividends paid is not less than 30%, and the rest are paid in the form of stock dividends and resolved by the shareholders' meeting. Since the remuneration is set at a fixed level, it does not depend on the current year's surplus level and future risks, so it has no relative impact on the company's operating performance.

(2) The remuneration paid by the company to the president and deputy chairman can be divided into three types: salary, bonus, and employee bonus plus surplus distribution. Taking into account the scope of authority and responsibility of the position in the company and the degree of contribution to the company's operating goals, the decision-making risks assumed by the position, the risk of failure to achieve the operating goals, and the risk of failure to comply with policies and regulations are used as the basis for remuneration, and reasonable remuneration is given. If there is a profit in the company's annual final accounts, the remuneration of employees shall be allocated from 1% to 5%, but when the company still has accumulated losses, the Remuneration amount shall be reserved in advance. Employees of the company's reinvested subsidiaries (or employees of subordinate subsidiaries who meet certain conditions) may be subject to the distribution of the above-mentioned employee remuneration, the conditions and methods of which shall be determined by the Board of Directors.

Remuneration of the top five supervisors with the highest remuneration of listed companies (disclose names and remuneration of individual) (Note 1)

Title	Name	Wages (A) (note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C) (note 3)		Employee Remuneration (D) (note 4)				Ratio of the Aggregate Amount of A, B, C and D to the Net Income After Tax (%) (Note 6)		Whether Receiving Remuneration from the Companies Invested by the Company Other Than the Subsidiaries of the Company or Not (note 7)
		This company	All companies listed in the Financial Reports (note 5)	This company	All companies listed in the Financial Reports(note 5)	This company	All companies listed in the Financial Reports(note 5)	This company		All companies listed in the Financial Reports(note 5)		This company	All companies listed in the Financial Reports(note 5)	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Tang,	3,080	3,080	108	108	213	213	-	-	-	-	(14.10)	(14.10)	-
Director	Wang, Shih-	1,313	1,313	108	108	1,895	1,895	-	-	-	-	(13.75)	(13.75)	-
Director	Liu, Heng-yu	2,200	2,200	95	95	170	170	-	-	-	-	(10.22)	(10.22)	-
Director	Lin, Wen-	1,500	1,500	91	91	106	106	-	-	-	-	(7.04)	(7.04)	-
Director	Chan, Chih-	1,352	1,352	76	76	82	82	-	-	-	-	(6.26)	(6.26)	-

Note 1: The term of “top five supervisors with highest remuneration” refers to the company’s managers, and the criteria for the identification of relevant managers shall be handled in accordance with the scope of application of “manager” stipulated in Tai Tsai Cheng No. 0920001301 of March 27, 1992 by the former Ministry of Finance Securities and Futures Regulatory Commission. As for the calculation and determination principle of “the supervisors with top five highest remuneration”, the determination of top five highest remuneration after sorting is based on the salary, retirement pension, bonus and special expenses received by the company’s managers from all companies in the consolidated financial report, as well as the total amount of employee remuneration (that is, the total amount of the four items A+B+C+D). If the director is also the former supervisor, the Form and the above form (1-1) shall be filled.

Note 2: The salary, job bonus, and severance payment of the top five managers in the most recent year are listed.

Note 3: It refers to the relevant business execution expenses of top five supervisors with highest remuneration in the most recent year (including transportation fees, special expenses, various allowances, dormitories, car, etc. provided in utilities.). If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant salary of the driver paid by the company, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 “Share-based payment “ shall also be included in the remuneration, including obtaining employee stock warrants, restricting the employee rights to new shares, and participating in cash capital increases to buy for shares, and so on.

Note 4: It is to fill in the amount of employee remuneration (including stocks and cash) of top five supervisors with highest remuneration approved by the Board of Directors in the most recent year. If it is hard to estimate, the proposed distribution amount for this year was calculated in proportion to the actual distribution amount last year, and Schedule 1-3 should be filled in separately.

Note 5: Shall disclose the total amount of remuneration paid by all companies (including the Company) to the CEO and VP of the Company in the consolidated report.

Note 6: Net profit after tax refers to the net profit after tax reported by the parent company only financial statement or the individual financial statements in the most recent year.

Note 7: a. The Column shall clearly indicate the amount of remuneration received by the CEO and VP of the Company from the investment business other than the subsidiary or the parent company (if no, please fill in “none”).
b. Remuneration refers to the payment, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses and other related remuneration received by the CEO and VP of the Company which acting as directors, supervisors or managers of the subsidiary’s foreign investment business or the parent company.

*The content of remuneration disclosed in the Table is different from the concept of income in the Income tax Act. Therefore, the Table is for information disclosure purposes and not for taxation purposes.

3. Operation Status of Corporate Governance

(1) Operation Status of Board of Directors

From 2021 to May 13, 2022, the Board of Directors had 10 meetings (A), and the attendance is as follows:

Title	Name	Times of Attendance in Person [B]	Times of Attendance by Proxy	Actual Attendance Ratio (%) [B/A]	Remarks
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Hu, Li-san	4	—	100.00%	The director of eighth session and was re-elected and dismissed on July 20, 2021.
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Tang, Hung-te	10	—	100.00%	The director of eighth and ninth session
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Wang, Hui-chun	10	—	100.00%	The director of eighth and ninth session
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Chen, Jui-chieh	7	1	87.50%	Dismissed on 2022.03.21
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Yang, Hung-jen	1	1	50.00%	Elected on 2022.03.2
Director	Legal representative of Bedbixiu Investment Co., Ltd.: Chen, Tsung-chi	6	—	100.00%	The director of ninth session
Director	Legal representative of Jun Investment International	4	—	100.00%	The director of eighth session and was re-elected and dismissed on July 20, 2021.

	Co., Ltd.: Wu, Chen-lung				
Director	Legal representative of Jun Investment International Co., Ltd.: Wu, Chun-yi	3	—	100.00%	Dismissed on 2021.12.23 The director number of Jun Investment decreases to 1 seat
Director	Legal representative of Jun Investment International Co., Ltd.: Lai, Kuan-ling	6	—	100.00%	The director of ninth session
Director	Legal representative of National Development Fund, Executive Yuan: He, Hung-neng (Note 1)	3	1	75%	The director of eighth session and was re-elected and dismissed on July 20, 2021.
Director	Legal representative of National Development Fund, Executive Yuan: Wu, Ming-hsien	5	1	83.33%	The director of ninth session
Director	Legal representative of Da Jyun Capital Investment Corporation: Yang, Chih-hui	10	—	100.00%	The director of eighth and ninth session
Director	Legal representative of Da Jyun Capital Investment Corporation: Chao, Hung-chang (Note 1)	3	—	75%	Leave one time The director of eighth session and was re-elected and dismissed on July 20, 2021.
Independent director	Wu, Jung-yi (Note 1)	4	—	100.00%	The director of eighth session and was re-elected and

					dismissed on July 20, 2021.
Independent director	Chen, Jung-hua (Note 1)	4	—	100.00%	The director of eighth session and was re-elected and dismissed on July 20, 2021.
Independent director	Wang, Wen-chu	10	—	100.00%	The director of eighth and ninth session
Independent director	Yang, Shih-chieh	6	—	100.00%	The director of ninth session
Independent director	Chiu, Chun-jung	6	—	100.00%	The director of ninth session

Other matters to be recorded:

1. If the operation of the Board of Directors has any of the following circumstances, then the date, session, content of the proposal, the opinions of all independent directors and the responsiveness of the company regarding the independent directors' opinions shall be stated:

(1) Matters listed in Article 14-3 of the Securities Exchange Act.

1. The 14th meeting of the 8th session Board of Directors on January 22, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent MetaTech (S) Pte Ltd. USD 500,000 was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
2. The 14th meeting of the 8th session Board of Directors on January 22, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent Metatech Ltd. USD 1000,000 was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
3. The 14th meeting of the 8th session Board of Directors on January 22, 2021: The case that the Company proposed to apply to CTBC Bank for the renewal of the general loan financing limit, and the case that Company provided the endorsement guarantee with Metatech Limited, a Hong Kong great-grandson company were approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
4. The 15th meeting of the 8th session Board of Directors on March 26, 2021: The 2020 "Declaration of Internal Control System" consent case was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
5. The 15th meeting of the 8th session Board of Directors on March 26, 2021: Company proposed to lift the competition restriction on the new directors of Company in the annual general meeting this year. This case was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
6. The 15th meeting of the 8th session Board of Directors on March 26, 2021: Company proposed to lift the competition restriction on the new directors of Company in the annual general meeting this year. This case was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
7. The 15th meeting of the 8th session Board of Directors on March 26, 2021: Locus

Cell Co., Ltd., a subsidiary of the company, intends to handle a cash capital increase. The total amount of capital invested is expected to total NT\$1.999 billion (the same below), and the paid-in capital after the capital increase is NT\$2 billion. This case was amended and approved by the chairman after consulting with all attending directors. The independent directors requested the meeting group to indicate in the minutes of the meeting that the authorized chairman of Locus Cell is Mr. Hu, Li-san.

8. The 16th meeting of the 8th session Board of Directors on May 14, 2021: Revision the "Procedures for Self-evaluation Internal control System" case was approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
9. The 16th meeting of the 8th session Board of Directors on May 14, 2021: The public fees of PwC Taiwan for accountants from the second quarter of 2021 to the first quarter of 2022 were approved by the chairman after consulting with all attending directors. The independent directors have no individual opinions.
10. The 16th meeting of the 8th session Board of Directors on May 14, 2021: The private placement of common shares approved by the Company at the 2020 annual general meeting would be terminated. This case was amended and approved by the chairman after consultation with all the directors present. The independent directors instructed that the Company shall state that the reason for the termination of the renewal processing is because the case of cash capital increase was approved, not because the processing deadline expired.
11. The 17th meeting of the 8th session Board of Directors on June 22, 2021: Nomination of directors of Locus Cell Co., Ltd. In this case, relevant stakeholders: Directors He, Hung-neng and Yang, Chih-hui were skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
12. The 17th meeting of the 8th session Board of Directors on June 22, 2021: Locus Cell Co., Ltd., undertakes the transferring the lease contract of Zhubei by the Company. In this case, the directors of Locus Cell: Directors He, Hung-neng, Wu, Chen-lung, and Yang, Chih-hui were skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
13. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The re-assignment of representatives by the legal directors of MetaTech (S) Pte Ltd. and MetaTech Ltd, who are great-grandson company of MetaTech. The Director Tang, Hung-te was skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
14. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The case of Chairman Yang, Chih-hui's Salary and Remuneration. In case, The Director and Chairman Yang, Chih-hui was skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
15. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The case of Deputy chairman Chen, Tsung-chi's Salary and Remuneration. In this case, The Director and Deputy chairman Chen, Tsung-chi was skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
16. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The 2020 cash capital increase and allotment for the Company's managers. The relevant managers were skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.

17. The 3rd meeting of the 9th session Board of Directors on November 12, 2021: The 2022 annual audit plan of the Company. This case was approved by the chairman after consulted all attending directors. The project inspections will be arranged as needed after the manpower is replenished next year.
18. The 3rd meeting of the 9th session Board of Directors on November 12, 2021: The Company's consolidated financial statements for the third quarter of 2021 have been prepared and reviewed by the PwC Taiwan, and it is proposed to issue an unreserved review report. The case was approved by the chairman consulted all attending directors. After the meeting, the financial figures were announced at the Market Observation Post System, and the filing was completed by the Counter Purchase Center and the Securities and Futures Bureau on November 15th.
19. The 4th meeting of the 9th Session Board of Directors on December 28, 2021: Apply to Mega International Commercial Bank for the renewal of the short-term general credit limit. This case was approved by the chairman after consulting with all attending directors. The warranty procedure was completed on January 14, 2022.
20. The 4th meeting of the 9th Session Board of Directors on December 28, 2021: Applied to CTBC Bank for the renewal of the general loan financing limit and the company provided Metatech Limited, a Hong Kong great-grandson company for the endorsement guarantee. This case was approved by the chairman after consulting all attending directors, and the endorsement guarantees will be announced immediately on Market Observation Post System after the meeting. After considering the situation of bank's transactions to the Company, the bank will grant a grace period until May 2022 before issuing a guarantee.
21. The 4th meeting of the 9th session Board of Directors on December 28, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent Metatech Limited. USD 1000,000 was approved by the chairman after consulting with all attending directors. The Company immediately announced it on the Market Observation Post System after the meeting.
22. The 4th meeting of the 9th session Board of Directors on December 28, 2021: Revision of the "Regulations Governing Appointment of Independent Directors and Compliance Matters". This case was approved by the chairman after consulting with all attending directors. And the conglomerate was notified after the meeting.
23. The 5th meeting of the 9th session Board of Directors on March 25, 2022: the 2021 "Declaration of Internal Control System" Consent case. This case was revised and approved by the chairman after consulting with all attending directors, and the declaration was completed on March 28.
24. The 5th meeting of the 9th session Board of Directors on March 25, 2022: Revision of the General Rules of the Internal control system and the Implementation Rules of the Internal Audit. This case was amended and approved by the chairman after consulting with all attending directors. And the conglomerate was notified after the meeting
25. The 5th meeting of the 9th session Board of Directors on March 25, 2022: Review of the Company's individual financial statements and consolidated financial statements for 2021. This case was approved by the chairman after consulting with all attending directors, and the declaration was completed on March 30th.
26. The 5th meeting of the 9th session Board of Directors on March 25, 2022: The Company's loss supplement in 2021. This case was approved by the chairman after consulting with all attending directors, and was submitted to the shareholders' meeting for approval on June 29th.
27. The 5th meeting of the 9th session Board of Directors on March 25, 2022: The

third time of company's guaranteed convertible corporate bond in domestic and the employee stock option conversion and issuance of new shares. These two cases were approved by the chairman after consulting with all attending directors, and completed the change registration on April 18th.

28. The 5th meeting of the 9th session Board of Directors on March 25, 2022: Lifted the competition restriction on directors at the annual general meeting of the Company this year. This case was approved by the chairman after consulting with all attending directors, and submitted to the shareholders' meeting for approval on June 29th.
29. The 5th meeting of the 9th session Board of Directors on March 25, 2022: Revision of the "Procedures for Acquiring or Disposal of Assets" of Conglomerate. This case was approved by the chairman after consulting with all attending directors, and submitted to the shareholders' meeting for approval on June 29th.
30. The 5th meeting of the 9th Session Board of Directors on March 25, 2022: Application for renewal of the credit limit of the Agricultural Bank of Taiwan. This case was approved by the chairman after consulting with all attending directors, and the warranty was completed on March 29th.
31. The 5th meeting of the 9th Session Board of Directors on March 25, 2022: Application for credit limit of Bank of Panshin. This case was approved by the chairman after consulting with all attending directors, and the warranty was completed on March 29th.
32. The 6th meeting of the 9th session Board of Directors on May 13, 2022: Evaluation on the independence and suitability of public fees and certified CPAs of the PwC Taiwan in the second quarter of 2022 to the first quarter of 2023. This case was approved by the chairman after consulting with all attending directors, and the entrustment was completed on May 17th.
33. The 6th meeting of the 9th Session Board of Directors on May 13, 2022: Application for a credit limit of Taishin International Bank. This case was approved by the chairman after consulting with all attending directors.

(2) Except for the matters mentioned earlier, other matters resolved by the Board of Directors that have been opposed or reserved by independent directors and have records or written statements: None.

2. The implementation of the avoidance of the directors' motion of interest shall specify the names of the directors, the content of the motion, the reasons for the avoidance of interest, and the voting situation:

1. The 16th meeting of the 8th session Board of Directors on May 14, 2021: Acceptance of shareholder proposals and election of directors (including independent directors) candidate review case. This case shall be reviewed separately. The candidates for directors under review, Directors Tang, Hung-te, Chen, Jui-chieh, Wang, Hui-chun, Yang, Chih-hui, and Wang, Wen-chu were skipped when reviewing the related proposals.
2. The 17th meeting of the 8th Session Board of Directors on June 22, 2021: Nomination of directors of Locus Cell Co., Ltd. Relevant stakeholders in this case: Directors He, Hung-neng and Yang, Chih-hui were skipped in the discussion and voting.
3. The 17th meeting of the 8th session Board of Directors on June 22, 2021: Locus Cell Co., Ltd., undertakes the transferring the lease contract of Zhubei by the Company. In this case, the directors of Locus Cell: Directors He, Hung-neng, Wu,

- Chen-lung, and Yang, Chih-hui were skipped during the discussion and voting.
4. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The re-assignment of representatives by the legal directors of MetaTech (S) Pte Ltd. and MetaTech Ltd, who are great-grandson company of MetaTech. The Director Tang, Hung-te was skipped during the discussion and voting.
 5. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The case of Chairman Yang, Chih-hui's Salary and Remuneration. In this case, the Director and Chairman Yang, Chih-hui was skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
 6. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The case of Deputy chairman Chen, Tsung-chi's Salary and Remuneration. In this case, the Director and Deputy chairman Chen, Tsung-chi was skipped during the discussion and voting. After the Chairman consulted all attending directors, the proposal was approved.
 7. The 2nd meeting of the 9th session Board of Directors on August 13, 2021: The 2020 cash capital increase and allotment for the Company's managers. The relevant managers were skipped during the discussion and voting.
 8. The 3rd meeting of the 9th Session Board of Directors on November 12, 2021: signed a "Cooperation Contract" with Locus Cell Co., Ltd. In this case, the relevant stakeholders, Directors Yang, Chih-hui, Chen, Tsung-chi, Wu, Chun-yi, and Lai, Kuan-ling, were skipped during the discussion and voting, and Independent director Chiu, Chun-jung was invited as the deputy Chairman.
 9. The 4th meeting of the 9th sessi Board of Directors on on December 28, 2021: The spokesperson of the Company was changed from Associate Director Lin Wenjie to President Tang, Hung-te. In this case, Director Tang, Hung-te was skipped during the discussion and voting.
 10. The 4th meeting of the 9th session Board of Directors on December 28, 2021: Revision of the "Regulations Governing Appointment of Independent Directors and Compliance Matters". In this case, the independent directors were skipped during the discussion and voting.
 11. The 4th meeting of the 9th Session Board of Directors on December 28, 2021: The release of 2021 year-end bonus for the managers in Company. In this case, the relevant internal managers were skipped during the discussion and voting.
 12. The 5th meeting of the 9th Session Board of Directors on March 25, 2022: signed a "Site and Equipment Lease Contract" with Locus Cell Co., Ltd. In this case, the relevant stakeholders, Directors Wu, Ming-hsien, Yang, Hung-jen, Yang, Chih-hui, and Lai, Kuan-ling, were skipped during the discussion and voting, and Deputy chairman Chen was invited to act as Deputy Chairman.
 13. The 5th meeting of the 9th session Board of Directors on March 25, 2022: signed a "Laboratory Lease Contract" with Up Cell Biomedical Inc. In this case, the relevant stakeholders, Directors Wang, Hui-chun and Yang, Chih-hui, were skipped during the discussion and voting, and Deputy chairman Chen was invited to act as chairman.
 14. The 6th meeting of the 9th session Board of Directors on May 13, 2022: Revision of the "Organizational Rules of the Remuneration Committee" In this case, the Remuneration Committee Wang, Wen-chu Independent director, Chiu, Chun-jung Independent director, Yang, Shih-chieh independent director were skipped during the discussion and voting.

3. Listed companies shall disclose the evaluation cycle and period, evaluation scope,

method and evaluation content of the Board of Directors' self-(or peer) evaluation, and fill in Schedule 2 (2) The implementation of the Board of Directors' evaluation.

(1) The implementation of the Board of Directors' evaluation

Evaluation cycle	Evaluation period	Evaluation range	Evaluation method	Evaluation content
Conduct once for every year	2021/1/1 ~ 2021/12/31	1. Self-evaluation of the appraisal of the council 2. Self-evaluation of the appraisal of board members 3. Self-evaluation of the appraisal of the audit Committee 4. Self-evaluation of the appraisal of the remuneration committee	Internal self-evaluation of the Board of Directors, the self-evaluation of board members, and the performance evaluated by the appointed external professional institutions, experts or other appropriate methods for every three years	1. Performance evaluation of the Board of Directors: including the degree of participation in the company's operations, the quality of the board's decision-making, the composition and structure of the Board of Directors, the selection and continuous education of directors, internal control, and so on. 2. Performance evaluation of individual directors: including the degree of handling in the company's goals and tasks, the awareness of directors' responsibilities, the degree of participation in the company's operations, internal relationship management and communication, the professional and continuing education of directors, internal control, and so on 3. Performance evaluation of functional committees: the degree of participation in the company's operations, awareness of the responsibilities of functional committees, the quality of decision-making of functional committees, the composition of functional committees and the selection of members, internal control, and so on

(2) Evaluation result

Performance evaluation of the Board of Directors

Evaluation item	Numbers	Total score	Score of self-evaluation	Ratio %	Score
A. the degree of participation in the company's operations	13	650	625	27.08	26.04
B. improve the quality of the board's decision-making	12	600	586	25.00	24.42
C. the composition and structure of the Board of Directors	6	300	296	12.50	12.33
D. the selection and continuous education of directors	7	350	347	14.58	14.46

E. internal control	10	500	490	20.83	20.42
Total	48	2400	2344	100.00	97.67

Result: Excellent

Performance evaluation of individual directors

Evaluation item	Number s	Total score	Score of self- evaluat ion	Ratio %	Score
A. the company's goals and tasks	3	150	147	12.00	11.76
B. the awareness of directors' responsibilities	4	200	198	16.00	15.84
C. the degree of participation in the company's operations	8	400	393	32.00	31.44
D. internal relationship management and communication	3	150	150	12.00	12.00
E. the selection and continuous education of directors	4	200	199	16.00	15.92
F. internal control	3	150	148	12.00	11.84
Total	25	1250	1235	100	98.80

Result: Excellent

Performance evaluation of audit committees

Evaluation item	Number s	Total score	Score of self- evaluat ion	Ratio %	Score
A. the degree of participation in the company's operations	16	240	239	32.65	32.52
B. improve the quality of the board's decision-making	14	210	207	28.57	28.16
C. the composition and structure of the audit committee	5	75	75	10.20	10.20
D. the selection and continuous education of committee of audit	6	90	90	12.24	12.24
E. internal control	8	120	120	16.33	16.33
Total	49	735	731	100.00	99.46

Result: Excellent

Performance evaluation of Remuneration committees

Evaluation item	Number s	Total score	Score of self- evaluatio n	Ratio %	Score
A. the degree of participation in the company's operations	8	120	118	29.63	29.14
B. improve the quality of the decision-making for the Remuneration committee	7	105	105	25.93	25.93
C. the composition and structure of the Remuneration committee	5	75	75	18.52	18.52
D. the selection and continuous education of committee of Remuneration	3	45	44	11.11	10.86
E. internal control	4	60	60	14.81	14.81
Total	27	405	402	100.00	99.26

Result: Excellent

4. The goals of strengthening the functions of the Board of Directors in the current year and the most recent year (such as the establishment of an audit committee, improvement of information transparency and others.) and the evaluation of the implementation situation:

The goals of strengthening the functions of the Board of Directors are the following:

- (1) Establishment of an audit committee: The Company established an audit committee to replace the supervisor on June 30, 2015 to strengthen the corporate governance and management functions.
- (2) Improve the information transparency: The Company has designated personnel responsible for the collection and disclosure of company information, the implementation of the spokesperson system, and the update of information on the Company's website.
- (3) Strengthen the communication between independent directors and the internal audit supervisors:
The annual operating plan and budget of whole company are reported in the audit committee every year. The independent directors review the operating plan proposed by the company, and the company conducts the regular report regarding financial, business and market in the board meeting after the period, so that the independent directors can effectively supervise the actual implementation results of the company's operating plan.
In terms of financial statements and internal control audits of the company, the annual and semi-annual financial reports shall be considered at the audit committee meeting, and the audit report information shall be monthly provided, so that independent directors have sufficient information to understand and supervise the company's operating performance.

- (4) Improve the operational efficiency and decision-making ability of the Board of

Directors: The company has formulated the "Management of Operation of Board Meeting" and strengthened the implementation of the functions of the Board of Directors. Strengthen the professional knowledge of directors looking forward to strengthening the functions of the Board of Directors, provide the information with directors of the Company and encourage them to participate in the professional courses organized by the Securities Foundation Club, and arrange for the directors to study in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". The number of training hours stipulated by the Board of Directors.

Note 1: The term of office of the 8th session was from 2018/06/25 to 2021/06/24. The term of office of the 9th session was from July 20, 2021 to July 19, 2024.

(2) Information on the operation of the Audit Committee:

1. Information on the operation of the Audit Committee:

The company established an audit committee to replace the supervisor after the comprehensive re-election of directors on June 30, 2015

(1) There are 3 members of the audit committee of the company.

(2) The term of office of the 2nd Committee: June 25, 2018 to June 24, 2021. The term of office of the 3rd Committee: July 20, 2021 to July 19, 2024.

The Audit Committee met 8 times from 2021 to May 13, 2022. The attendance of independent directors is as follows:

Title	Name	Times of Attendance in Person [B]	Times of Attendance by Proxy	Actual Attendance Ratio (%) [B/A]	Remarks
Independent director	Chen, Jung-hua	3	0	100.00%	The member of second session and was re-elected and dismissed on July 20, 2021.
Independent director (convener)	Wu, Jung-yi	3	0	100.00%	The member of second session and was re-elected and dismissed on July 20, 2021.
Independent director (convener)	Wang, Wen-chu	8	0	100.00%	The member of second and third session
Independent director	Yang, Shih-chieh	5	0	100.00%	The member of third session and was re-elected and dismissed on July 20, 2021.

Independent director	Chiu, Chun-jung	4	1	80.00%	The member of third session and was re-elected and dismissed on July 20, 2021.
<p>Note 1: If an independent director leaves before the end of the year, then the date of departure shall be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee during the tenure and the actual attendance.</p> <p>Note 2: If there is a re-election of an independent director before the end of the year, both the new and old independent directors shall be listed, and the independent director is the old, new or re-elected and the date of re-election shall be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee and its actual attendance during the tenure.</p> <p>Other matters to be recorded:</p> <p>1. If the operation of the audit committee fulfills any of the following circumstances, then the date, session, content of the proposal, objections of independent directors, reservations or major proposed items, the resolution of the Audit Committee, and the responsiveness of the Audit Committee's opinions shall be stated.</p> <p>(1) Matters listed in Article 14-5 of the Securities Exchange Act.</p> <ol style="list-style-type: none"> 1. The 13th meeting of the 2nd session Audit Committee on January 22, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent MetaTech (S) Pte Ltd. USD 500,000 was approved by the chairman after consulting with all attending members. 2. The 13th meeting of the 2nd session Audit Committee on January 22, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent Metatech Ltd. USD 1,000,000 was approved by the chairman after consulting with all attending members. 3. The 13th meeting of the 2nd session Audit Committee on January 22, 2021: The case that the Company proposed to apply to CTBC Bank for the renewal of the general loan financing limit, and the case that Company provided the endorsement guarantee with Metatech Limited, a Hong Kong great-grandson company, the chairman consulted all the members present in this case to strengthen the amount of joint control mentioned in the statement from NT\$50,000,000 to NT\$885,000,000, and the amendment was passed. 4. The 14th meeting of the 2nd session Audit Committee on March 26, 2021: the 2020 "Declaration of Internal Control System", after the chairman consulted all the members present and passed the proposal without objection. 5. The 14th meeting of the 2nd session Audit Committee on March 26, 2021: The Company's individual financial statements and consolidated financial statements for 2020 have been approved by the chairman after consultation with all the members present without objection. 6. The 14th meeting of the 2nd session Audit Committee on March 26, 2021: The Company's loss compensation plan in 2020 was approved by the chairman after consultation with all the members present without objection. 7. The 14th meeting of the 2nd session Audit Committee on March 26, 2021: It is proposed to lift the competition restriction on the new directors of the 					

- company in the annual general meeting this year. After the chairman consulted all the members present and passed without objection.
8. The 14th meeting of the 2nd session Audit Committee on March 26, 2021: Locus Cell Co., Ltd., a subsidiary of the company, intends to handle a cash capital increase. The total amount of capital invested is expected to total NT\$1.999 billion (the same below), and the paid-in capital after the capital increase is NT\$2 billion. This case was amended and approved by the chairman after consulting with all attending members. The members requested the meeting group to indicate in the minutes of the meeting that the authorized chairman of Locus Cell is Mr. Hu, Li-san.
 9. The 15th meeting of the 2nd session Audit Committee on May 14, 2021: Revision the "Procedures for Self-evaluation Internal control System" case was approved by the chairman after consulting with all attending members.
 10. The 15th meeting of the 2nd session Audit Committee on May 14, 2021: The public expenditure of the accountants of the PPwC Taiwan from the second quarter of 2021 to the first quarter of 2022 was approved by the chairman after consulting with all attending members.
 11. The 15th meeting of the 2nd session Audit Committee on May 14, 2021: The private placement of common shares approved by the company at the 2020 annual general meeting was terminated. This case has been revised and approved by the chairman after consulting with all attending members.
 12. The 1st meeting of the 3rd session Audit Committee on August 13, 2021: The partial revision of "Internal Control System" in the circular content plan. This case has been revised and approved by the chairman after consulting with all attending members.
 13. The 1st meeting of the 3rd session Audit Committee on August 13, 2021: The consolidated financial statements of the Company for the second quarter of 2021 have been prepared and reviewed by the PwC Taiwan. This case was approved by the chairman after consulting with all attending members.
 14. The first meeting of the 3rd session Audit Committee on August 13, 2021: It intended to apply to the Taiwan Enterprise Bank for the renewal of the credit limit. This case was approved by the chairman after consulting with all attending members.
 15. The 1st meeting of the 3rd session Audit Committee on August 13, 2021: It intends to apply to Changhua Bank for the renewal of the credit limit. This case was approved by the chairman after consulting with all attending members.
 16. The 1st meeting of the 3rd session Audit Committee on August 13, 2021: It intends to apply for a credit limit of the Land Bank. This case was approved by the chairman after consulting with all attending members.
 17. The first meeting of the 3rd session Audit Committee on August 13, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co., Ltd. lent MetaTech (S) Pte Ltd. USD 2000,000 was approved by the chairman after consulting with all attending members.
 18. The first meeting of the 3rd session Audit Committee on August 13, 2021: Regarding the funding loan in related parties—the case that MetaTech (AP) Inc. lent MetaTech (S) Pte Ltd. USD 1000,000 was approved by the chairman after consulting with all attending members.
 19. The 2nd meeting of the 3rd session Audit Committee on November 12, 2021: The Company's 2022 annual audit plan. This case was approved by the

- chairman after consulting with all attending members.
20. The 2nd meeting of the 3rd session Audit Committee on November 12, 2021: The consolidated financial statements for the third quarter of 2021 have been prepared and reviewed by the Prudential Joint Accounting Firm, and an unreserved audit report is to be issued. This case was approved by the chairman after consulting with all attending members.
 21. The 3rd meeting of the 3rd Session Audit Committee on December 28, 2021: Applied to Mega International Commercial Bank for the renewal of the short-term comprehensive credit line. This case was approved by the chairman after consulting with all attending members.
 22. The 3rd meeting of the 3rd Session Audit Committee on December 28, 2021: Applied to China Trust Commercial Bank for the renewal of the comprehensive loan financing line and the company provided the endorsement guarantee with Metatech Limited, a Hong Kong great-grandson company. This case was approved by the chairman after consulting with all attending members.
 23. The 3rd meeting of the 3rd session Audit Committee on December 28, 2021: Regarding the funding loan in related parties—the case that MTI Holding Co. Ltd. lent Metatech Limited. USD 1000,000 was approved by the chairman after consulting with all attending members.
 24. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: the 2021 "Declaration of Internal Control System" consent case. After the chairman consulted all the members present to amend the text and passed it. Add the words "draft" or "draft" to the title.
 25. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: Revised the general Rules of the internal control system and the implementation rules of the internal audit, and approved the revised text after the chairman consulted all attending members. Adjust the sorting method of each competent unit in the detailed rules, and correct typos in the text at the same time.
 26. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: the Company's individual financial statements and consolidated financial statements for 2021. This case was approved by the chairman after consulting with all attending members.
 27. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: The Company's loss supplement in 2021. This case was approved by the chairman after consulting with all attending members.
 28. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: The third time of company's guaranteed convertible corporate bond in domestic, and employee stock option conversion and issuance of new shares. This case was approved by the chairman after consulting with all attending members.
 29. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: Lifted the competition restriction on directors at annual general meeting of the Company this year. This case was approved by the chairman after consulting with all attending members.
 30. The 4th meeting of the 3rd session Audit Committee on March 25, 2022: Revised part of the "Procedures for Acquiring or Disposing of Assets" of the Conglomerate. This case was approved by the chairman after consulting with all attending members.
 31. The 4th meeting of the 3rd Session Audit Committee on March 25, 2022:

Application for renewal of the credit line of the National Agricultural Treasury. This case was approved by the chairman after consulting with all attending members.

32. The 4th meeting of the 3rd Session Audit Committee on March 25, 2022: Application for credit limit of Banxin Commercial Bank. This case was approved by the chairman after consulting with all attending members.
33. The 5th meeting of the 3rd session Audit Committee on May 13, 2022: The consolidated financial statements of the Company for the first quarter of 2022 have been prepared and reviewed by the PwC Taiwan, and an unreserved audit report is to be issued. This case was approved by the chairman after consulting with all attending members.
34. The 5th meeting of the 3rd session Audit Committee on May 13, 2022: Assessment of the independence and suitability of accountants for public expenses and visa accountants from the second quarter of 2022 to the first quarter of 2023 of the PwC Taiwan. This case was approved by the chairman after consulting with all attending members, and the entrustment is completed on 5/17.
35. The 5th meeting of the 3rd Session Audit Committee on May 13, 2022: Application for a credit line from Taishin International Commercial Bank. This case was approved by the chairman after consulting with all attending members.

(2) Except for the matters mentioned earlier, other matters that have not been approved by the audit committee but have been agreed by more than two-thirds of all directors: none. The independent directors' implementation of the avoidance of the motion of interest shall specify the name of the independent director, the content of the motion, the reason for the avoidance of interest, and the voting situation: none

1. Communication between independent directors and internal audit supervisors and accountants (such as matters, methods and results of communication on the company's financial and business conditions, etc.):

2. The company's internal audit supervisor regularly communicates audit report methods with members in the audit committee:

The audit committee of the Company is composed of all independent directors. The head of internal audit reports to the audit committee every quarter on the implementation of the audit business, internal operating matters, major inspection opinions of internal and external audit inspections, its improvement handling situation, and the implementation of matters assigned by the audit committee; in case of major abnormal matters, a meeting will be convened at any time.

The accountant reports to the independent directors at least twice a year on the company's financial status, the financial and overall operation of subsidiaries at home and abroad, and the audit of internal control, and fully communicates whether there are major adjustments to the entries or whether the amendments to laws and regulations affect the accounts.

(1) Regular - After the monthly audit reports are signed and approved by the chairman, they will be sent to the independent directors by email and post for review and acceptance. And strengthen the content of the audit work in accordance with its instructions to ensure the accuracy of internal control. Specific matters include: Report to the independent directors that the audit

found abnormal matters. The specific results:

1. The management team is requested to review the process of the management department to meet future management needs.
 2. The project reviews the business secret management operations of the biomedical department, and makes the suggestions and improvements.
- (2) Non-regular - usually use telephone, e-mail or interview methods to communicate the content of the audit findings and how to continuously improve the value of the audit. If major violations are found, the independent directors will be notified immediately.
- (3) Communication matters include:

Item	Communication matters	Specific result
2021.01.22	<ol style="list-style-type: none"> 1. Report on the business implementation of the Audit Office from October to December 2020. 2. The work plan and implementation of the Audit Office in 2021. 3. Implement a self-assessment of internal control in 2020. 	The independent directors suggest that when the human resource accounting policy is formulated, the human resource planning table should also specify the number of people and the nature of the positions to be increased or decreased.
2021.03.26	<ol style="list-style-type: none"> 1. Report on the business implementation of the Audit Office from January to February 2021. 2. The work plan and implementation of the Audit Office in 2021. 3. 2020 Internal control self-evaluation report. 4. 2020 risk assessment list management matters. 	The independent directors have no opinions. The independent directors of the company have a good communication situation regarding the implementation and effectiveness of the audit business.
2021.05.14	<ol style="list-style-type: none"> 1. The business implementation of the Audit Office in March 2021. 2. The work plan and implementation of the Audit Office in 2021. 	The description of the abnormality should be clearly expressed as the basis for the judgment of major events.
2021.08.13	<ol style="list-style-type: none"> 1. The business implementation of the Audit Office from April to July 2021. 2.2 The work plan and implementation of the Audit Office in 2021. 3. Revise the internal control systems of the company's biomedical business group "production cycle", "R&D cycle" and "Sales and Collection Cycle". 4. Revise the audit authority of the company's biomedical business group "Production cycle", "R&D Cycle", "Sales and Collection Cycle" and "Procurement and Payment Cycle". 	From now on, the person responsible for the missing items should be noted.
2021.11.12	<ol style="list-style-type: none"> 1. The business implementation of the Audit Office from August to September 2021. 2. The work plan and implementation of the Audit Office in 2021. 	The company's procedures shall be revised when the government decree changes.
2021.12.28	<ol style="list-style-type: none"> 1. Business implementation of the Audit Office from October to November 2021. 2. The work plan and implementation of the Audit Office in 2021. 3. Implementation of the matters assigned by the Audit Committee in 2021. 	Use neutral terms as much as possible in the audit report to avoid the subjective judgment. The judging standard for the severity of the lack of

internal control is "ordinary" and shall be changed to "moderate" to avoid misjudging the severity.

2. The Company's CPA report on the current quarter's financial statement review or communication at the quarterly audit committee meeting:

- (1) Regular - The accountant communicates with the Audit Committee on the audit plan, implementation and results before and after the quarterly, semi-annual and annual reports.
- (2) Non-regular - if there are other operational aspects or internal control and other related cases that need to be communicated and discussed immediately, meetings will be arranged as appropriate.
- (3) Communication matters include:

Board of Director	Date	Main Resolution	Recommendations of the audit committee and implementation results
The Thirteenth meeting of the second session Audit Committee	2021.01.22	<ol style="list-style-type: none"> 1. Revised and approved the 2021 annual budget and annual operating plan of the Company 2. Through the loan of funds from related parties-MTI Holding Co., Ltd. Loan with MetaTech (S) Pte Ltd. USD 500,000. 3. Through the loan of funds from related parties-MTI Holding Co., Ltd. Loan with Metatech Ltd. USD 1,000,000. 4. By applying to CTBC Bank for the renewal of the general loan limit and the company and the endorsement guarantee for the Hong Kong Great-grandson company Metatech Limited. 5. Through the application to Mega International Commercial Bank for the renewal of the short-term general credit limit. 	The audit Committee recommends that CTBC Bank apply for the renewal of the general loan financing limit, and intends to strengthen the statement of the joint control amount from NT\$50,000,000 to NT\$885,000,000. The company will make amendments after the meeting and submit them to the Board of Directors for approval.
The Fourteenth meeting of the second session Audit Committee	2021.03.26	<ol style="list-style-type: none"> 1. Passed the 2020 internal control system declaration. 2. Approved the 2020 individual financial statements and consolidated financial statements of the Company. 3. Passed the 2020 loss supplementary plan of the Company 4. Approved the proposed application for a credit limit of the Bank of Small and Medium-sized Enterprises of Taiwan. 5. Passed the lifting of the restriction on the competition of new directors at the annual shareholders' meeting of the company this year. 6. Through Locus Cell Co., a subsidiary of the company. , Ltd. It 	The audit committee recommends: Locus Cell Co., Ltd. Description of the proposed cash capital increase case-authorized to the chairman of Locus Cell Co., it should be indicated as the chairman, Mr. Hu, Li-san, on behalf of Locus Cell Co., Ltd. Sign the cash capital increase contract and documents. The company will amend the content after the meeting and submit it to the Board of Directors for approval.

		is planned to handle a cash capital increase, and the total amount of capital invested is expected to be NT\$1.999 billion, and the paid-in capital after the capital increase will be NT\$2 billion.	
The Fifteenth meeting of the second session Audit Committee	2021.05.14	<ol style="list-style-type: none"> 1. Self-evaluate the revision of operating procedures for the internal control system. 2. Approved the consolidated financial statements of the PwC Taiwan for the first quarter of 2021 and the accountant's public expense case from the second quarter of 2021 to the first quarter of 2022. 3. The private placement of common shares through the 2020 regular shareholders' meeting was terminated. 	The audit committee recommended that the minutes of the meeting be correctly stated that the private placement of common shares would not be renewed. It is not a simple term. It is a cash capital increase passed and there is no new capital demand at that time. The company would amend the content after the meeting and submit it to the Board of Directors for approval.
The 1st meeting of the third session Audit Committee	2021.08.13	<ol style="list-style-type: none"> 1. Approved the company's selection of Member Wang, Wen-chu as the convenor of the Audit Committee. 2. Passed the revision of the "production cycle", "R&D cycle" and "Sales and Payment Cycle" of the internal control system of the company's biomedical business group, and passed the audit authority form of the "production cycle", "R&D Cycle", "Sales and Payment Cycle" and "Procurement and Payment Cycle" of the biomedical business group. 3. Approved the consolidated financial statements for the second quarter of 2021. 4. Through the loan of funds from related parties-MTI Holding Co., Ltd. Loan with Metatech (S) Pte Ltd. A case of USD 22,000,000. 5. Through the loan of funds provided by the relevant parties—the company's loan to Metatech (S) Pte Ltd. USD 1,000,000. 6. Approved the proposed application to Changhua Bank for the renewal of the credit limit. 7. Approved the proposed application for the renewal of the credit limit of the Enterprise Bank of Taiwan. 8. Passed the proposed application for a credit limit from the Land bank. 	The Audit Committee recommends that the audit authority table shall be uniformly revised to be expressed in NT\$1,000. The company submits the revised content to the Board of Directors for approval after the independent directors recommended the amendments.

The Second meeting of the third session Audit Committee	2021.11.12	<ol style="list-style-type: none"> 1. Passed the 2022 annual audit plan of the Company. 2. Approved the consolidated financial statements for the third quarter of 2021. 3. Locus Cell Co., Ltd. signed a cooperation contract. 4. Through the company's internal meetings with the audit committee every two months and communication meetings with accountants every six months. 	The Audit Committee recommended that the company's measures should be revised when the government decree changes. The company would handle it truthfully.
The third meeting of the third Session Audit Committee	2021.12.28	<ol style="list-style-type: none"> 1. Approved the proposed application for the renewal of the short-term general credit limit from Mega International Commercial Bank. 2. Through the proposed application to CTBC Bank for the renewal of the general loan financing limit and the company offered the endorsement guarantee to Metatech Limited, a Hong Kong great-grandson company. 3. Through the loan of funds from related parties-MTI Holding Co., Ltd. Loan to Metatech Limited. USD 1,000,000. 4. Approved the 2022 annual budget and annual operating plan of the Company 	The Audit Committee recommended that the Action Plan be listed and quantified, not just for market analysis. The company revised the text content in accordance with the recommendations of the independent directors and submitted it to the Board of Directors for approval.
The Fourth meeting of the third Session Audit Committee	2022.3.25	<ol style="list-style-type: none"> 1.2021 "Declaration of Internal Control System". 2. Revise the general rules of the internal control system and the implementation rules of the internal audit. 3. Review of the individual financial statements and consolidated financial statements of the Company for 2021. 4. The company's loss supplementary plan. 5. The third time of company's guaranteed convertible corporate bond in doemstic and employee stock option conversion and issuance of new shares. 6. It is proposed to lift the competition on the directors at the annual shareholders' meeting of the Company this year. 7. Amend partial provisions of the Group's "Procedures for Acquiring or Disposal of Assets". 8. Application for renewal of the credit limit of the National Agricultural Bank. 9. Application for credit limit of Banxin Commercial Bank. 10. Signed a "Site and Equipment 	The Audit Committee recommended that the instrument warranty shall be completed before the expiration of the contract. The maintenance contract shall be signed. Those who have already signed the contract shall complete the negotiation or renewal before the expiration of the contract. A clear date shall be set to avoid the maintenance window period. Also evaluate whether ascorbic acid is donated to medical institutions to avoid waste. It would be transferred to the Biomedical Business Office for evaluation.

		Lease Contract" with Locus Cell Co., Ltd. 11. Signed a "Laboratory lease Contract" with Up Cell Biomedical Co., Ltd.	
The Fifth meeting of the third session Audit Committee	2022.5.13	1. Review of the consolidated financial statements for the first quarter of the Company for 2022. 2. From the second quarter of 2022 to the first quarter of 2023, the PwC Taiwan would evaluate the independence and suitability of accountants for public expenses and CPAs 3. Application for a credit limit of Taishin International Commercial Bank. 4. Revised partial provisions of the "Practice on Corporate Governance" of the Conglomerate. 5. Revised partial provisions of the "Practice for Corporate Social Responsibility" of the Conglomerate.	The Audit Committee recommended that acceptance shall be handled in accordance with the time limit stipulated in the contract to avoid breach of contract. At the previous meeting, it was reported that the equipment has expired the warranty period and is still looking for a maintenance manufacturer. The Audit Committee reported the processing results in August. The company would handle it truthfully.

3. The annual highlight of the Audit Committee are as follows:

- (1) Review the formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities Exchange Act.
- (2) Review the assessment of the effectiveness of the internal control system.
- (3) Review the procedures for major financial business acts that acquire or dispose of assets, engage in derivative transactions, lend the funds, endorse or provide the guarantees for others in accordance with the Article 36-1 of the Securities Exchange Act.
- (4) Review matters involving the directors' own interests.
- (5) Review major asset or derivative transactions.
- (6) Review major capital loans, endorsements or guarantees.
- (7) Review the raising, issuance or private placement of marketable securities of an equity nature.
- (8) Review the appointment, dismissal or remuneration of CPAs.
- (9) Review the appointment and removal of financial, accounting or internal audit supervisors.
- (10) Review the annual and semi-annual financial statement.
- (11) Review major matters stipulated by other companies or authorities.

2. Information on the supervisors participating in the operation of the Board of Directors:

On June 30, 2015, the Board of Directors of the Company fully re-elected and established an audit committee to replace the supervisor.

(3)Corporate Governance Status and the Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
1. Has the Company set up and disclosed the Corporate Governance Best Practice Principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has formulated a "Practice for Corporate Governance". Please visit the Company's official website for the company's Practice for Corporate Governance. https://www.metatech.com.tw/ir/regulation	In line with the “Practical Principle of Governance of Listed Companies”.
2. Company’s Shareholding Structure and the Rights and Privileges of Shareholders A. Does the Company set up internal procedures to deal with shareholders’ recommendations, concerns, disputes, litigation matters, and does it implement these rules according to procedure?	✓		In addition to entrusting a stock affairs agency to handle related business on its behalf, the Company has established a spokesperson system and an investor relations office dedicated for suggestions, doubts or disputes from shareholders, and deeply understanding and coordination of their suggestions or concerns. The Company formulated a practice for corporate governance to ensure the shareholders' rights and interests, and implemented it in accordance with relevant regulations.	In line with the “Practical Principle of Governance of Listed Companies”.
B. Does the Company retain a register of major shareholders that have controlling power over the Company and people who hold ultimate power over those	✓		Through stock affairs agencies, the Company fully understands the structure of major shareholders. Every month, it reports the changes in the equity held	In line with the “Practical Principle of

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
major shareholders?			by the Company's insiders and shareholders holding more than 10% of the shares in accordance with Article 25 of the Securities and Exchange Act, and tracks in regular.	Governance of Listed Companies”.
C. Has the Company set up and executed controls for risks and firewall mechanisms between affiliated firms?	✓		The Company's operations are carried out in accordance with the internal control system and the specific company financial business transaction methods of the conglomerate. The personnel, assets and financial management rights of the affiliated companies have been clearly divided, and each has established its own firewall. Through a dedicated authentication method, the head office obtains the relevant information about the investment company through the Internet.	In line with the “Practical Principle of Governance of Listed Companies”.
D. Has the Company set up rules and regulations to prohibit persons inside the firm from using unreleased market information to buy and sell negotiable securities?	✓		The Company has formulated "Management for the Prevention of Insider Trading", and conducts the education and publicity on "Management for the Prevention of Insider Trading", "Internal Major Information Processing Procedures" and related regulations for directors, managers and employees at least once a year. Provide the education and publicity to new directors, managers and employees in a timely	In line with the “Practical Principle of Governance of Listed Companies”.

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			manner. ※This year, the relevant education and publicity for current directors, independent directors, managers and employees have been conducted on September 30, 2021 and November 29, 2021. The content includes the scope of major internal information, confidential operations, public operations and handling of violations. The files will be sent to all directors, independent directors, managers and employees for verificated.	
<p>3. The Organization and Responsibilities of the Board of Directors</p> <p>A. Does the Board of Director formulate the diversity policy, specific management goals and implement based on the member composition?</p>	✓		<p>Article 11 of the Corporate by-laws stipulates that there are 9-11 directors (including the independent directors) to organize the Board of Directors and adopt a candidate nomination system. The members of the Board of Directors are diversified and possess the professional knowledge and independence required for business, legal affairs, finance, accounting or biomedical business.</p> <p>There are also three independent directors who can better supervise the company's operations. Each member considers whether it is in line with the company's development plan. Please visit the</p>	In line with the “Practical Principle of Governance of Listed Companies”.

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			company's official website for the company's diversification policy and implementation http://www.metatech.com.tw/invest/pdf/more.pdf	
B. Other than the Remuneration Committee and the Audit Committee which are required by law, is the Company willing to set up other committees?	✓		The Company has set up a Remuneration Committee in accordance with the law, and an Audit Committee was voluntarily set up on June 30, 104 in accordance with the decree. On April 20, 2018, the Board of Directors passed a resolution to set up a Biomedical Development Committee, and regularly announced the members of the Biomedical Development Committee and its actual operation. The Biomedical Development Committee meets at least twice a year(or may convene at any time as needed), and submits the proposal to the Board of Directors for discussion; the functions of the committee are as follows: 1. Review the major decisions and operating plans of the company's biomedical department. 2. Supervise the progress and implementation status of major projects in the biomedical department. 3. Supervise and deal with the risks faced by the biomedical department	In line with the “Practical Principle of Governance of Listed Companies”.

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			<p>4. Ensure that the biomedical department complies with relevant regulations.</p> <p>5. Plan the future development direction, and so on. https://www.metatech.com.tw/ir/biomed</p>	
C. Whether the Company formulates the regulations and method for the performance evaluation of the board of directors, conducts performance evaluation regularly every year, reports the results of the performance evaluation to the board of directors, and takes it as a reference for the remuneration, nomination and re-appointment of each director.?	✓		<p>The Company has established a performance evaluation system for the Board of Directors, and adopted the "Performance Evaluation of the Board of Directors and Functional Committees" at the 13th meeting of the 8th session Board of Directors on November 6th 2020 to give full play to the self-motivation of board members and enhance the function of the operation of the Board of Directors. The performance evaluation of the internal Board of Directors is carried out once a year, and the self-evaluation of directors and peer evaluation are conducted after the end of the year. The evaluation results are reviewed at the end of the first quarter and the results of the performance evaluation are submitted to the board of directors. At the same time, this report is used as a reference for directors' remuneration and nomination for renewal. (For the results of the evaluation, please refer to this</p>	In line with the "Practical Principle of Governance of Listed Companies".

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			annual report for details-Listed companies shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self-(or peer) evaluation, and fill in Schedule 2-(2) The implementation of the evaluation.) The performance evaluation of the external Board of Directors shall be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years. The performance evaluation of the current year shall be conducted at the end of the year.	
D. Does the Company regularly evaluate the independence of the CPA's?	✓		In accordance with Article 27 of the Practice on Corporate Governance, the company regularly evaluates the independence of CPAs. It refers to Article 47 of the Accounting Law and the Bulletin of Professional Ethics No. 10 "Integrity, Impartiality, Objectivity and Independence" to formulate the accountant review and evaluation form. The CPA issues a "Declaration of the Transcendent Independence of the Accountant", which is reviewed and approved by the Audit Committee and submitted to the Board of Directors for approval to evaluate the	In line with the "Practical Principle of Governance of Listed Companies".

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			independence of the CPAs.	
4. Whether TWSE/TPEX listed companies have deployed appropriate numbers of suitable corporate governance personnel, and designated corporate governance directors responsible for corporate governance-related matters (including but not limited to providing directors, supervisors with information required to perform business, assisting directors, supervisors in complying with laws, handled matters related to meetings of the board of directors and shareholders' meeting on the basis of the laws, and prepared the minutes of the board of directors and shareholders' meetings, etc?)	✓		For matters of the company related to corporate governance, the Finance Department serves as the corporate governance unit and is responsible for providing real-time information to shareholders on the Market Observation Post System or the Company's website. Provide matters related to the meetings of the Board of Directors and the shareholders' meeting in accordance with the law, and assist the company in complying with the relevant laws and regulations of the board of directors and the shareholders' meeting; provide the directors with the information required to perform their business and the latest regulatory developments related to operating the company to assist directors in complying with regulations.	In line with the "Practical Principle of Governance of Listed Companies".
5. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, clients, suppliers, etc.),	✓		The company has a "Stakeholder Column" on the company's website, which provides the contact information by a dedicated person through E-mail.	In line with the "Practical Principle of

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
and set up a designated area on the Company website to handle the issues of the stakeholders? Has the Company appropriately responded to the stakeholders regarding key corporate responsibility issues that affect them?			Please visit the company's official website for the communication channels of the company's stakeholders https://www.metatech.com.tw/ir/shareholder	Governance of Listed Companies”.
6. Has the Company delegated a professional shareholder services agent to serve the shareholders?	✓		The Company has appointed Concord Securities Co.,Ltd. to handle matters related to the shareholders' meeting	In line with the “Practical Principle of Governance of Listed Companies”.
7. Disclosure of Information A. Has the Company set up a website that discloses information on the Company’s financial affairs and corporate governance?	✓		In addition to entering the company's financial business and corporate governance information into the Market Observation Post System in accordance with regulations, the relevant information is also disclosed on the company's website. Please visit the company's official website for information about the company's financial business and corporate governance. https://www.metatech.com.tw/ir/quarterly	In line with the “Practical Principle of Governance of Listed Companies”.
B. Has the Company taken other measures to disclose its information (i.e., setting up an English website, appointing	✓		The Company adopts other information disclosure methods:	In line with the “Practical

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
personnel to gather and disclose the Company's information, implement a spokesperson system, uploading the whole process of the investor conference onto the Company website)?			1. The company has a public website (Chinese and English version of the website) and has a dedicated person responsible for maintenance. 2. Important information is announced at the Market Observation Post System. 3. The Company has a spokesperson and acting spokesperson system. 4. Place the legal person briefing process on the company's website.	Principle of Governance of Listed Companies".
C. Whether the Company announced and reported the annual financial report within two months after the end of the fiscal year, and announced and reported the first, second and third quarter financial reports and operation of each month in advance before the prescribed period ?		✓	The Company submits its annual financial report within the specified time, and announces the first, second, and third quarter financial statements and operating conditions for each month in advance of the specified time limit.	證券交易法第三十六條第二項規定訂定辦理。
8. Does the Company have any other information that would assist in letting others learn more about the Company's corporate governance status (including but not limited to the rights and privileges of employees, concern toward staff, relationship with investors, relationship with suppliers, rights and privileges of stakeholders, pursuance of higher education by directors and supervisors, risk control policy and performance of risk measuring	✓		1. Employee rights and employee care: The Company has established an employee welfare committee to implement a retirement system in accordance with the Labor Standards Act, and appropriately plan the further education of employees, pay attention to labor relations, and ensure the rights and interests of employees. Human rights policies and regulations have been formulated and approved by the Board of	In line with the "Practical Principle of Governance of Listed Companies".

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
standards, performance of customer policy, the Company taking out liability insurance for the directors and supervisors)?			<p>Directors on May 14, 2021.</p> <p>2. Investor relations: The Company discloses the relevant information about the company in accordance with regulations to protect the basic rights and interests of investors and fulfill the company's responsibilities to shareholders.</p> <p>3. Supplier relationship: The Company's business department jointly manages matters related to suppliers.</p> <p>4. Rights of stakeholders: The Company is responsible for the rights of stakeholders.</p> <p>5. The situation of directors and independent directors for further education: The directors and independent directors of the company have regular further education and declare the public information observatories in accordance with regulations.</p> <p>6. Implementation of risk management and risk measurement standards: The Company has formulated the relevant operating standards and control measures, which are supervised and implemented by the responsible supervisors, and the auditors regularly or irregularly check, report, and</p>	

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
			<p>track to improve the implementation.</p> <p>7. Implementation of customer policies: The company's business departments jointly manage customer-related affairs.</p> <p>8. When the company purchases the liability insurance for directors and independent directors: The Company has insured liability insurance for all directors and important employees. The insurance period is from October 2021 to October 2022, with amount of USD10,000,000.</p>	
<p>9. Please provide details regarding improvements made based recommendations listed in the most recent year's assessment from the Corporate Governance Center, Taiwan Stock Exchange Co., Ltd. If the changes have not yet been made, please provide a list of matters to be improved and the corresponding measures. (N/A for companies not assessed):</p> <p>The company's eighth corporate governance ranking is 6%~20% within the listed companies. During the period, the English version of the annual report is uploaded, the independence of certified public accountants is evaluated, and the evaluation procedures are disclosed in detail in the annual report. The appointment and removal of internal auditors, evaluation, and remuneration have been submitted to the Board of Directors or signed by the audit supervisor to the chairman for approval. And disclose on the company's website to strengthen the disclosure of the implementation of the resolutions of the previous year's annual general meeting. Our company has also vigorously promoted the integrity management policy, formulated procedures for reporting illegal, unethical or dishonest behavior, and established a reporting system for violations of business ethics on the company's website. In order to fulfill the company's corporate social responsibility, the company has prepared a corporate social responsibility report (which has been renamed the Sustainable Development Report) for four consecutive years.</p> <p>And at the Thirteenth meeting of the eighth session Board of Directors (2020.11.06), the performance evaluation for the Board of Directors and</p>				

Evaluation Contents	Operational Status			Reasoning Behind the Differences in Code of Practice Between This Firm and Other TWSE/TPEX-Listed Firms
	Yes	No	Summary of Explanations	
<p>functional committees has been formulated. The method stipulates that the evaluation should be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years. The company has started to implement it in the current year, and at the end of March 2022, it will report the performance evaluation of the 2021 Board of Directors in the public information reporting system. For the parts that have not been improved, such as holding a legal briefing, whether the company's financial report is approved by the Board of Directors or submitted to the Board of Directors in 7 days before the announcement deadline, and whether the financial report is announced within 1 day after the adoption date or the submission date, whether the company has more than half of the directors (including at least one independent director) and the convener of the Audit Committee (or at least one supervisor) personally attend the annual general meeting, etc., the company implements it as priority.</p>				

(D) The Remuneration Committee established by the Company, and the status of its organization, duties and operations:

1. Information on the Members of the Remuneration Committee
May 31, 2022

Title (Note 1)	Condition Name	Professional Qualification and Experience (Note 2)	Independence Information (Note 3)	Number of Other Public Companies Concurrently Serving as a Member of Remuneration Committee
Independent director (convener)	Wang, Wen-chu	Please refer to the directors' information in this annual report (Chapter 1 and 2)	Have not served as a director, supervisor or employee of the company and its affiliated companies; the number and proportion of shares held by relatives within the company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the company; No obtainment of any remuneration for providing the company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.	NA

Other	Huang, Tsan-lich (Note A)	<p>Department of Accounting, National Chengchi University 3 years in Deloitte & Touche Accounting Firm 4 years in Taiwan Stock Exchange Co., Ltd. 19 years of Deputy CEO of Taipei Management Center of Yieh United Steel Corporation</p>	<p>Served as a director of Lejia Recycling Technology Co., Ltd.; the number and proportion of shares held by relatives within the company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the company; No obtain any remuneration for providing the company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.</p>	NA
Independent director	Chen, Jung-hua (Note A)	<p>Maste Degree, Institute of Accounting, National Chengchi University Accountant and President of I.H.Chen & Co., CPA- Since 1983</p>	<p>Have not served as a director, supervisor or employee of the company and its affiliated companies; the number and proportion of shares held by relatives within the company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the company; No obtain any remuneration for providing the company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.</p>	NA

Independent director	Yang, Shih-chieh	Please refer to the directors' information in this annual report (Chapter 1 and 2)	Have not served as a director, supervisor or employee of the company and its affiliated companies; the number and proportion of shares held by relatives within the company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the company; No obtain any remuneration for providing the company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.	NA
Independent director	Chiu, Chun-jung	Please refer to the directors' information in this annual report (Chapter 1 and 2)	Have not served as a director, supervisor or employee of the company and its affiliated companies; the number and proportion of shares held by relatives within the company (or in the name of others) such as oneself, spouse, second degree of relatives or others are 0; have not served as a director, supervisor or employee of a company with a specific relationship with the company; No obtain any remuneration for providing the company or its affiliated companies in the business, legal, financial, accounting and other services in the last 2 years.	NA

Note A: Member Huang, Tsan-lich resigned on March 15, 2021 due to his busy personal business. The company's Board of Directors approved the nomination for by-election of Chiu, Chun-jung on May 14, 2021. The term of office is from 2021.05.14 to 2021.06.24 (the term of office of the Fourth Remuneration Committee ends). Member Chen, Jung-hua resigned after the company re-appointed the fifth member.

Note B: The company held a re-election of directors at the regular shareholders' meeting on July 20, 2021. Therefore, Independent director Wang, Wen-chu, independent

director Chiu, Chun-jung and Independent director Yang, Shih-chieh were re-appointed as members of this Committee. The term of office ends on July 19, 2024, the expiration date of the current board of directors.

Note C: The term of office of the Fifth Remuneration Committee will start from July 20, 2021 to July 19, 2024.

Note 1: Please specify the relevant working years, professional qualifications and experience of the members of each remuneration committee and their independent status in the form. If they are independent directors, please refer to the relevant content of Director and supervisor Information (1) in Schedule 1 on Page OO for remarks. Please fill in the identity as an independent director or other (if it is a convenor, please mark it).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual remuneration committee members.

Note 3: Meet the independent status: specify whether the members of the remuneration committee meet the independent status, including but not limited to whether relatives within myself, spouse, second parent, etc. are directors, supervisors or employees of the company or its affiliated companies; relatives within myself, spouse, second parent, etc. (or use the name of others) hold the number and proportion of shares in the company; whether they are directors, supervisors or employees of companies with specific relationships with the company (refer to the provisions of Article 6, Item 1, Paragraphs 5-8, of the Measures for the Establishment and Exercise of the remuneration committee of the company listed on the stock exchange or traded in the business premises of the securities firm) ; The amount of remuneration obtained for providing business, legal, financial, accounting and other services of the company or its affiliated companies in the last two years.

Note 4: For disclosure methods, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. Information on the operation of the Remuneration Committee:

The company's board of directors approved the establishment of a remuneration committee on December 15, 2011 to assist the Board of directors in implementing and evaluating the company's overall remuneration and welfare policies, as well as the remuneration of managers.

(1) There are 3 members of the company's remuneration committee.

(2) The term of office of the current members: July 20, 2021 to July 19, 2024.

From 2021 to May 13, 2022, the Remuneration Committee has 4 meetings (A). The qualifications and attendance of the members are as follows:

Title	Name	Times of Attendance in Person[B]	Times of Attendance by Proxy	Actual Attendance Ratio (%) [B/A]	Remarks
Independent director (convenor)	Wang, Wen-chu	4	—	100%	The fourth and fifth sessions
Other	Huang, Tsan-lieh (Note 1)	1	—	100%	The fourth sessions, Term of office 2018/8/7~2021/6/24

Independent director	Chen, Jung-hua (Note 1)	2	—	100%	The fourth sessions, Term of office 2018/8/7~2021/6/24
Independent director	Yang, Shih-chieh	2	—	100%	The fifth sessions, Term of office 2021/7/20~2024/7/19
Independent director	Chiu, Chun-jung (Note 1)	2	—	100%	The fourth and fifth sessions

Note 1: Member Huang, Tsan-lieh resigned on March 15, 2021 due to his busy personal business. The company's Board of Directors approved the nomination for by-election of Chiu, Chun-jung on May 14, 2021. The term of office is from 2021.05.14 to 2021.06.24 (the term of office of the Fourth Remuneration Committee ends). Member Chen, Jung-hua resigned after the company re-appointed the fifth member. The fourth sessions, Term of office is 2018/8/7~2021/6/24, and the fifth term of office is 2021/7/20~2024/7/19.

Other matters to be recorded:

- A. If the Board of Directors refuses to adopt or revise suggestions from the Remuneration Committee, the details of the meeting date, session number, proposal content, results of voting by the Board of Directors, and actions taken by the Company in response to the opinions of the members of the Remuneration Committee should be listed (i.e., if the Board of Directors approved a Remuneration structure that is better than that suggested by the Remuneration Committee, the circumstance of discrepancy and reasoning should be clearly stated): None.
- B. If members of the Remuneration Committee object to or abstain from voting from resolutions of the Remuneration Committee, and there is a record or written declaration regarding said objection or abstention, the details of the meeting date, session number, proposal content, all the opinions of the committee members, and actions taken in response to the opinions of the members of the Remuneration Committee should be listed:
1. The 9th meeting of the 4th session Remuneration Committee on January 22, 2021: Proposed to adjust the salary of Associate Director Wang, Shih-chun of the Taiwan Operations Office. This case was approved by the chairman after consultation with all the members present.
 2. The 9th meeting of the 4th session Remuneration Committee on January 22, 2021: The company's 2020 year-end bonus for managers was released. This case was approved by the chairman after consultation with all the members present. (In this case, the relevant attending internal managers were skipped during the discussion and voting.)
 3. The 10th meeting of the 4th session Remuneration Committee on May 14, 2021: Proposed to adjust the salary of Associate Director Chan, Chih-tsung of the Finance Department. This case was approved by the chairman after consultation with all the members present. (In this case, the relevant attending internal managers were skipped during the discussion and voting.)
 4. The first meeting of the 5th session Remuneration Committee on August 13, 2021: Election of the convenor of the Remuneration Committee. After the members are elected by each other, Member Wang, Wen-chu is elected as the convenor of the Fifth Remuneration Committee and the chairman of the meeting.
 5. The First meeting of the 5th Session Remuneration Committee on August 13, 2021:

Part of Remuneration of Chairman Yang, Chih-hui. After the chairman consulted all the members present, the case was passed without objection.

6. The First meeting of the 5th Session Remuneration Committee on August 13, 2021: Part of Remuneration of Deputy chairman Chen, Tsung-chi. After the chairman consulted all the members present, the case was passed without objection. After the chairman consulted all the members present to amend the text of the attachment, the case was passed without objection.
7. The first meeting of the 5th session Remuneration Committee on August 13, 2021: The cash capital increase and allotment plan of the Company's manager for 2020. After the chairman consulted all the members present, the case was passed without objection.
8. The second meeting of the 5th session Remuneration Committee on December 28, 2021: the company's 2021 year-end bonus for managers was released. After the chairman consulted all the members present, the bill was passed. (In this case, General Manager Tang, Hung-te, the person present, was skipped during the discussion and voting).

C. The organizational powers and responsibilities of the Remuneration Committee are as follows:

1. Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers.
2. Regularly evaluate and formulate the remuneration of directors and managers. When performing the functions and powers of the preceding paragraph, the committee shall do so in accordance with the following principles:
 - (1) The performance evaluation and remuneration of directors and managers shall refer to the usual level of payment in the industry, and consider the rationality of the connection with personal performance, company operating performance and future risks.
 - (2) Directors and managers shall not be guided to engage in behaviors that exceed the company's risk appetite in order to pursue the remuneration.
3. The proportion of remuneration paid to directors and senior managers for short-term performance and the payment time of some changes in remuneration shall be determined based on the characteristics of the industry and the nature of the company's business.

The remuneration referred to in the preceding paragraph includes the cash remuneration, stock options, dividends into shares, retirement benefits or severance payments, various allowances and other measures with substantial rewards; its scope shall be consistent with the remuneration of relevant directors and managers in the publication of the company's annual reports.

(5)Implementation of sustainable development promotion and “Discrepancy and Reason for Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Contents of evaluation	Operational Status (Note 1)			Status on discrepancy and reasons in relation to the Sustainable Development Best Practice Principles of TWSE/TPEX-listed companies
	Yes	No	Description in Summary	
1. Does the company establish a governance structure to promote the sustainable development, set up a special (part-time) group to promote sustainable development, have the senior managers, who are authorized by the board of directors, to conduct, and have the Board of Directors to supervise the situation?			The General Management Office of the company also serves as the corporate social responsibility for promoting sustainable development, and the Board of Directors authorizes the senior management to handle it and report to the Board of Directors. The Company donates to various charitable associations from time to time, such as sponsoring the "Building a Percussion Castle in Wenao" to improve the musical Instrument Equipment of Wenao Elementary School in Penghu County. And the Company reported on the implementation situation at the fifth meeting of the ninth session board of Directors.	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.
2. Whether the Company has conducted risk assessments of environmental, social and corporate governance issues related to its operations in accordance with the materiality principles, and formulated relevant risk management policies or strategies? (note 2)	✓		The company has conducted a risk assessment of environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and completed the corporate social responsibility letter in 2021. The website	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.

			<p>index is as follows: https://www.metatech.com.tw/ir/csr And simultaneously formulate a risk management policy on January 10, 2020. The website index is as follows: https://www.metatech.com.tw/ir/regulation</p>	
<p>3. Issues of Environment A. Has the Company established appropriate systems for environmental management based on the characteristics of its operations?</p>	✓		<p>The company establishes a suitable environmental management system according to the nature of its operating activities. The environmental management unit or personnel shall promote and maintain the environmental management-related systems, and organize the environmental education courses for management and employees.</p>	<p>In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.</p>
<p>B. Is the company committed to improving the energy efficiency and using the recycled materials that have less loading on the environment?</p>	✓		<p>In order to improve the efficiency of the utilization of various resources, the company properly and sustainably uses the water resources and formulates the relevant management procedures. Meanwhile, it plans to build and strengthen the relevant environmental protection facilities to avoid polluting water, air and land; the Company does the best to reduce the adverse effects on human health and the environment, and adopt the best feasible pollution prevention and control technology measures.</p>	<p>In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.</p>

<p>C. Whether the Company have assessed the current and future potential risks and opportunities of climate change to the Company, and adopted measures to respond to climate-related issues?</p>	<p>✓</p>	<p>The Company pays attention to the impact of climate change on its operating activities, and based on the operating conditions and greenhouse gas inventory results, formulates the company's energy-saving, carbon-reducing and greenhouse gas reduction strategies to reduce the impact of the company's operations on the natural environment.</p>	<p>In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.</p>
<p>D. Whether the Company counted the gas emissions of greenhouse, water consumption and total weight of waste in the past two years, and whether the Company formulated policies on energy saving and carbon reduction, reduction of greenhouse gas and water consumption or other waste management?</p>	<p>✓</p>	<p>The company's annual electricity consumption is about 870,191 degrees, and the indirect greenhouse gas emissions are 445,830.98 kg of CO₂e greenhouse gas emissions. The total fuel consumption of official vehicles is about 1229.74 liters, which directly produces about 2903.76 kg of CO₂e greenhouse gas. (The calculation method adopts the emission coefficient method, and the emission coefficient refers to the Greenhouse gas emission coefficient management table announced by the Environmental Protection Agency of China Version 6.0.4; GWP is calculated using the Fourth Assessment report of the IPCC in 2007).</p> <p>In terms of water consumption, employees usually promote the water conservation in detail, so the water consumption in 2020 was about 1445.72</p>	<p>In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.</p>

		<p>degrees. In terms of sewage, MetaTech was determined to be a "temporarily unregulated" institution after written examination by the local competent authority, and there was no polluted wastewater.</p> <p>The operators of the MetaTech Biomedical laboratory follow the "Waste Disposal Operation Instructions" formulated by the "Waste Disposal Operation Instructions" and are equipped with refrigerators dedicated to the storage of biomedical waste. The hazardous medical waste generated during the experiment is temporarily stored in it. The temperature is checked daily by the personnel, and the hazardous business waste approved by the Environmental Protection Agency of the Executive Yuan is regularly entrusted to the carrier and processor for the removal and proper disposal by incineration.</p> <p>Website index: https://www.metatech.com.tw/ir/csr</p>	
<p>4. Social Issues</p> <p>A. Has the Company established management policies and procedures based on relevant laws and the International Bill of Human Rights?</p>	✓	<p>The Company is committed to safeguarding the basic human rights of its employees and creating an environment where human rights are fully guaranteed. In accordance with the United Nations "Universal Declaration of Human</p>	<p>In line with the requirements of "Practical Principle for Sustainable Development for Listed Company".</p>

			Rights", "Global Covenant", "International Labor Organization Convention" and other international human rights conventions, the "Human Rights Policies and Regulations of MetaTech (AP) Inc" have been specially formulated and approved by the resolution of the Board of Directors on May 14, 2021, so that both internal and external members of the company can be treated with fairness and dignity.	
B. Whether the Company have formulated and implemented reasonable employee benefits measures (including salary, leave and other benefits, etc.), and appropriately reflect the operating performance or results on the Remuneration of employees?	✓		The company has formulated the reasonable employee welfare measures and appropriately reflected the business performance in employee Remuneration, such as the distribution of performance bonuses and year-end bonuses.	In line with the requirements of "Practical Principle for Sustainable Development for Listed Company".
C. Has the Company provided employees with a safe and healthy working environment in addition to regularly providing education to the employees regarding safety and health?	✓		The Company regularly conducts the safety and health education and publicity, and formulated the procedure for complaints and disciplinary to prevent and control the sexual harassment in the workplace on 2021.02.05. The Company has formulated measures to protect the working environment of employees and the personal safety of employees. Please go to the company's official website for the protection measures of the working environment and the personal safety of employees	In line with the requirements of "Practical Principle for Sustainable Development for Listed Company".

			https://www.metatech.com.tw/ir/regulation	
D. Has the Company established occupational competence training programs for the employees?	✓		The Company has formulated a personnel training plan, and educational courses are proposed by various units every year, and external course training is provided for the needs of employees. Website index:	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.
E. Regarding topics like the customer health and safety, the customer privacy, the marketing and labeling of products and services, does the company comply with relevant regulations and international standards, and formulate relevant policies and complaint procedures to protect the rights of consumers or customers?	✓		The company implements a close relationship with customers, including the customer health and safety, customer privacy, after-sales customer service and maintenance, and follows the relevant regulations and international standards. Please visit the company's official website for the company's complaint channels http: //www.metatech.com.tw/invest/pdf/report.pdf	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.
F. Whether the Company has formulated a supplier management policy which requires suppliers to comply with the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how their implementation is.	✓		The Company complies with relevant regulations, protects the legitimate rights and interests of its employees, and requires suppliers to respect the internationally recognized principles of basic labor and human rights.	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.
5. Whether the Company referred to the reporting standards or guidelines which are accepted internationally for compiling reports which	✓		The Company has conducted a risk assessment of environmental, social and corporate governance issues related to the	In line with the requirements of “Practical Principle for Sustainable Development for Listed Company”.

<p>disclosed the non-financial information of the Company, such as the sustainability report. Whether the previous report obtained the assurance or verification statement of a verification unit from the third party</p>		<p>company's operations in accordance with the principle of materiality, and completed the corporate social responsibility letter in 2020. The website index is as follows: https://www.metatech.com.tw/ir/csr At present, although the assurance or guarantee opinions of third-party verification units have not been obtained, efforts are also being made in this direction.</p>	
<p>6. if the Company has established its own “Sustainable Development Best Practice Principles”, its operations and differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” shall be described: In order to practice the sustainable development of enterprises and promote economic, environmental and social progress and the goal of sustainable development, the company has formulated the " Practice for Sustainable Development " with reference to the "Practice for Sustainable Development of Listed Companies" jointly formulated by the Taiwan Stock and the Securities Exchange of the Republic of China. The Company implements the corporate governance, develops a sustainable environment, maintains social welfare, strengthens the corporate social responsibility information disclosure, and operates on the ground in accordance with the procedure. At present, the operation results are good, but the Company has not obtained the assurance or guarantee of a third party. The Company will strive to improve.</p>			
<p>7. Other Information Important to Helping Understand the Status and Operations of implementation status of sustainable development:</p> <p>(1) Environmental protection work: The Company is purely in the trading industry and has no production activities so would not affect the production of harmful environmental factors such as air, water, waste, poison, and noise in the environment. However, the office is still continuously reduced the environmental impact caused to the life. The photocopy paper currently used in the office is mainly recycled paper with environmental certification marks, and colleagues are promoted to use recycled photocopy paper for photocopying. In addition, the Company's internal envelope reuse is implemented to save paper resources. The Company promotes the thorough implementation of garbage classification and sets up the resource recycling offices for environmental protection.</p> <p>(2) Social contribution: The Company adheres to the concept of "taking it from the society and using it for the society". In addition to the goal of sustainable corporate management, MetaTech (AP) Inc supports education and technology research and development projects with practical actions. It also provides donations and support for learning from disadvantaged groups, and hopes to lead the way. Through the participation of various public welfare activities, it will connect internal colleagues and even expand to the entire society, so that more</p>			

people can pay attention to social welfare and invest in it. Please refer to the website below for details of the projects sponsored by the company: <https://www.metatech.com.tw/ir/csr>

- (3) Social services: The Company cooperates with government agencies to promote the "Tobacco Hazards Prevention Act" and calls on all employees to pay attention to their physical health.
- (4) Human rights: The Company has formulated the "Human Rights Policies and Regulations of MetaTech (AP) Inc" in accordance with the United Nations "Universal Declaration of Human Rights", "Global Covenant", "International Labor Organization Convention" and other international human rights conventions. So that both internal and external members of the company can be treated fairly and with dignity.
- (5) Employee health care: In order to take care of the physical and mental health of employees, the Company arranges the health checks for employees to understand their own health, and then strengthen their own physical health.

(6) Circumstances of the company fulfilling ethical corporate management and the differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof.

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
1. Enactment of Policies and Measures of Ethical Corporate Management Best Practice Principles A. Did the company develop ethical corporate management policies approved by the board of directors and clearly state its policies and practices of ethical corporate management in the regulations and external documents? Are the Board of Directors and the senior management implementing the commitment to business policies?	✓		The Company has currently formulated an integrity management policy, and expresses the policies and practices of honest management in regulations and external documents. The Board of Directors and management exercise their powers cautiously when performing business. The company's audit office will conduct inspections from time to time.	Principle of Integrity Management of Listed Company

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
B. Did the company establish the assessment system for the risks of unethical behaviors and regularly analyze and assess the business activities with higher risks of unethical behaviors within its business scope? Furthermore, did the company establish prevention programs against unethical behaviors, which at least covered the prevention measures for the behaviors in Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	✓		The Company has specified that directors, managers, employees, trustees or persons with substantial control ability shall not directly or indirectly provide, underwrite, request or accept any improper benefits, or engage in other dishonest acts that violate integrity, lawlessness or breach of fiduciary obligations in order to obtain or maintain benefits. In addition, the company regularly analyzes and evaluates business activities within its business scope that are under a high risk of dishonest behavior.	Principle of Integrity Management of Listed Company
C. Has the Company clearly established and implemented operating procedures, code of conduct, penalties for violation and complaint system in the prevention programs against unethical behaviors as well as reviewed and revised the aforementioned programs regularly?	✓		The Company has formulated the working codes and instructions to implement the integrity management policy and actively prevent the dishonest behavior. In addition, the Company regularly promotes the spirit of integrity management through employee education and training, and regularly reviews and revises the pre-mortgage plan.	Principle of Integrity Management of Listed Company

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
<p>2. Fully Implementing the Ethical Corporate Management Best Practice Principles</p> <p>A. Has the Company evaluated the ethical corporate management records of business counterparts and expressly written ethical business clauses into the terms of the contracts signed with said business counterparts?</p>	✓		Before establishing a business relationship, the Company evaluates the legitimacy of the counterparty, whether there is a record of dishonest behavior, and conducts the bank notes to ensure that its business operations are fair, transparent, but not require, provide or accept bribes.	Principle of Integrity Management of Listed Company
<p>B. Has the company established units exclusive for the promotion of ethical corporate management, which are affiliated under board of directors and will report regularly (at least once a year) to board of directors about the programs, supervision and execution situations for the ethical corporate management policies and the prevention against unethical behaviors?</p>	✓		Although the Company has not set up a special unit to promote corporate integrity management, the relevant responsibilities are distributed in the scope of responsibilities of various departments, and the Company still spares no effort in the performance of corporate integrity management.	Principle of Integrity Management of Listed Company
<p>C. Has the Company set up and implemented policies to prevent conflicts of interests and provided appropriate channels for employees to express their opinions if needed?</p>	✓		The directors of the Company uphold a high degree of self-discipline and have an interest in the proposals listed by the board of directors and their own or their representative legal persons, which are harmful to the interests of the company. Those who are at risk of harm shall not join the discussion and vote and shall be avoided.	Principle of Integrity Management of Listed Company

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
			For details of the statement channel, please refer to the company's website violation of ethics reporting system: https://www.metatech.com.tw/	
D. Has the Company established effective accounting systems and internal control systems for implementing Ethical Corporate Management and has its internal audit unit developed relevant audit programs according to the assessment results for the risks of unethical behaviors as well as reviewed compliance to prevention against unethical behaviors or entrusted accountants to conduct the review?	✓		The Company has established an effective internal controls, relevant management measures and accounting systems for implementation, and has an audit unit to regularly audit the relevant compliance matters of all units of the company. See the website below for details: https://www.metatech.com.tw/ir/internal	Principle of Integrity Management of Listed Company
E. Does the Company regularly hold internal and external educational trainings regarding ethical corporate management?	✓		The Company has formulated employee codes and instructions, and regularly organizes internal and external education and training in integrity management to strengthen employee advocacy. See the website below for details: https://www.metatech.com.tw/ir/directors	Principle of Integrity Management of Listed Company
3. Operating Status of the Company's Reporting System A. Has the Company established a concrete reporting and rewards system and provided convenient channels for reporting in addition to assigning appropriate	✓		The Company has established a specific reporting and reward system for violations of business ethics. The Company assigns the appropriate special acceptance personnel to the subject of the report.	Principle of Integrity Management of Listed Company

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
personnel dedicated to handling the matters reported?			For the company's complaint channels, please visit the company's official website to inquire about the violation of ethics reporting system. https://www.metatech.com.tw/	
B. Has the Company established standard operating procedures for the investigation on complaints and the follow-up measures to be adopted after the investigation is completed as well as the relevant confidentiality mechanisms?	✓		The Company has established procedures for reporting illegal, unethical or dishonest behavior, which specify the standard operating procedures for investigation, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms.	Principle of Integrity Management of Listed Company
C. Has the Company adopted measures to safeguard the personnel who filed the report from receiving any unfair or inappropriate treatment?	✓		The Company allows the anonymous reporting. For colleagues and related personnel who report violations of the law or participate in the investigation process, the company would keep it confidential and protect it to avoid unfair retaliation and treatment, and assign specialist to investigate.	Principle of Integrity Management of Listed Company
4. Improving Information Disclosure Has the Company disclosed the details of its Ethical Corporate Management Best Practice Principles and information regarding its effectiveness on the Company's website in addition to MOPS?	✓		The Company has disclosed the content and promotion effectiveness of the established code of Integrity Management on the company's website and Market Observation Post System. See the website below for details: https://www.metatech.com.tw/	Principle of Integrity Management of Listed Company

Contents of evaluation	Operational Status			Status on discrepancy and reasons in relation to the best practices governing ethical corporate management of TWSE/TPEX-listed companies
	Yes	No	Descriptions in summary	
<p>5. According to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, if the Company has established its own Ethical Corporate Management Best Practice Principles, the details of its operations and differences shall be listed below: The company is disclosed in the corporate governance area of the Market Observation Post System in accordance with regulations.</p>				
<p>6. Other important information that helps to understand the company's integrity management and operation: (Such as the company's review and revision of its code of Integrity management, etc.) The company's Code of Integrity Management was formulated by the Fourteenth board of Directors of the Fifth session (March 26, 2012), and has undergone two revisions during the period, namely the fourteenth board of Directors of the seventh session (2016.12.21) and the Eighth Board of Directors of the eighth session (2019.11.08).</p>				

- (7) If the company has a corporate governance code and related regulations, it should disclose its inquiry method:
1. The company has formulated the following relevant regulations and measures in accordance with the "Practical Principle on Governance for Listed Company":
 - (1) Rules of Shareholders' meeting
 - (2) Rules of procedure of the Board of Directors
 - (3) Method for election of directors
 - (4) Procedures for acquiring or disposal of assets
 - (5) Operation method of endorsement guarantee
 - (6) Working procedures for lending funds to others
 - (7) Measures for supervision and management of subsidiaries
 - (8) Internal major information processing procedures
 - (9) Practice of Integrity Management
 - (10) Administrative measures to prevent insider trading
 - (11) Practice of Ethics for directors and Managers
 - (12) Practice for Corporate Social Responsibility
 - (13) Organizational Rules of the Audit Committee
 - (14) Corporate Governance Practice
 - (15) Organizational Rules of the Remuneration Committee
 - (16) Standard operating procedures for handling directors' requests
 - (17) Handling procedures for reporting the illegal, unethical or dishonest behavior
 - (18) Information Management Regulations
 - (19) Management of related party transactions
 - (20) Risk management policies and procedures
 - (21) Complaints and disciplinary measures for the prevention and control of sexual harassment in the workplace
 - (22) Performance evaluation measures of the Board of Directors and Functional committees
 - (23) Measures for the Management of Intellectual Property Rights
 - (24) Measures for the Management of Business Secrets
 - (25) Human rights policies and regulations
 2. Searching method

The company's website <http://www.metatech.com.tw>, discloses the company's financial business and corporate governance information in the investor column.
- (8) The company has formulated "internal major Information processing procedures" and announcement methods
- The company's "Management of the Prevention of Insider Trading" incorporate the internal major information processing procedures, which were approved by the Board of Directors in December 2009 and amended in May 2017. The Board of Directors announced this procedure to all directors on the same day, and sent relevant procedural information to the directors of the company for reference after the meeting. Internally, after the Board of Directors recognizes it, this procedure and precautions will be placed in the company's public information area for the company's managers, management supervisors and all colleagues to follow.
- (9) Other important information sufficient to enhance the understanding of the operation of corporate governance shall be uniformly disclosed:
- The query method is as follows:

1. The newly appointed directors, managers and other insiders of the company shall distribute the latest version of the " Regulations Related to the Equity of Insiders of Listed and Emerging Stock Companies and Precautions" prepared by the Securities Counter Trading Center when they take office to facilitate insiders to follow them.
2. Market Observation Post System: <http://mops.twse.com.tw>
3. The investor column of company's website: <http://www.metatech.com.tw>

(J) Internal control system and implementation status

1. Internal Control System Statement

MetaTech (AP) Inc.

Internal Control System Statement

March 25, 2022

In accordance with the results of self-inspection, the Company's internal control system for the year of 2021 states the following:

- I. The Company is aware that establishing, implementing and maintaining the internal control system is the responsibility of the Board of Directors and managers of the Company. The Company has established this system. Its purpose is to provide reasonable assurance as to the achievement of the objectives and objectives of the operation's effectiveness and efficiency (including profitability, performance, and protection of asset safety, etc.), reliability of financial reporting, and compliance with relevant laws and regulations.
- II. The internal control system has its inherent limitations. Regardless of how well the design is completed, an effective internal control system can only provide reasonable assurance for the achievement of the above three goals. Moreover, the effectiveness of the internal control system is due to changes in the environment and circumstances. May change with it. However, the Company's internal control system has a mechanism for self-monitoring. Once the lack is identified, the Company will take corrective action.
- III. The Company determines the effectiveness of the design and implementation of the internal control system based on the judgment items of the effectiveness of the internal control system as stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations Governing"). The internal control system used in the "Regulations Governing" determines the project in accordance with the process of management control. The internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervision. Each component includes several items. For the aforementioned items, please refer to the provisions of the "Regulations Governing".
- IV. The Company has adopted the above-mentioned internal control system to judge the project and check the effectiveness of the design and implementation of the internal control system.
- V. Based on the inspection results of the preceding paragraph, considering the Company's internal control system as of December 31, 2021 (including supervision and management of subsidiaries) includes the degree to which the effectiveness and efficiency objectives of the operation are reached, and the financial reports. The design and implementation of the relevant internal control systems, such as reliability and related laws, are effective, and they can reasonably ensure the achievement of the above objectives.
- VI. This statement will become the main content of the Company's annual report and the public statement and will be open to the public. If any of the above disclosed content is false or hidden, it will involve the legal obligations of Article 20, Article 32, Article 171, and Article 174 of the Securities Exchange Act.

This statement was approved by the Board of Directors of the Company on March 25, 2022. Of the 11 directors present (Including 1 persons entrusted to attend), 0 had dissenting opinions. All of them agreed with the contents of this statement and made the statement.

MetaTech (AP) Inc.

Chairman: Yang, Chih-hui Signature

General Manager: Tang, Hong-Te Signature

2. When commissioning an accountant project to review the internal control system, the accountant review report should be disclosed: Not applicable.

(K) In the most recent year and as of the publication of the annual report, the Company and its internal personnel were punished according to law, and the Company's internal personnel violated the provisions of the internal control system for penalties, major defects, and improvements: No such situation.

(L) In 2021 and as of the printing date of the annual report, important resolutions of the shareholders' meeting and the Board of Directors:

Shareholders' Meeting	Date	Important Resolutions																				
2021 Shareholders' Meeting	2021.07.20	<p>Proposal Matters:</p> <p>1. Acknowledging the 2020 Business Report and the Consolidated Financial Statements, the voting results are as follows. The voting weights represent 98.71% of the voting rights of the shareholders at the time of voting:</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Attendance at shareholders' voting rights</th> <th>Agree</th> <th>Opposition</th> <th>Invalid</th> <th>Abstaining/Not voting</th> <th>Resolution results/implementation status tracking</th> </tr> </thead> <tbody> <tr> <td>Weight</td> <td>30,869,458</td> <td>30,471,659</td> <td>5,444</td> <td>0</td> <td>392,355</td> <td rowspan="2">This case was approved and announced in the Market Observation Post System after the meeting.</td> </tr> <tr> <td>Proportion</td> <td>100.00%</td> <td>98.71%</td> <td>0.02%</td> <td>0</td> <td>1.27%</td> </tr> </tbody> </table>	Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking	Weight	30,869,458	30,471,659	5,444	0	392,355	This case was approved and announced in the Market Observation Post System after the meeting.	Proportion	100.00%	98.71%	0.02%	0	1.27%
		Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking														
		Weight	30,869,458	30,471,659	5,444	0	392,355	This case was approved and announced in the Market Observation Post System after the meeting.														
		Proportion	100.00%	98.71%	0.02%	0	1.27%															
		<p>2. Acknowledging the 2020 loss allocation, the voting results are as follows. The voting weights represent 98.71% of the voting rights of the shareholders at the time of voting.</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Attendance at shareholders' voting rights</th> <th>Agree</th> <th>Opposition</th> <th>Invalid</th> <th>Abstaining/Not voting</th> <th>Resolution results/implementation status tracking</th> </tr> </thead> <tbody> <tr> <td>Weight</td> <td>30,869,458</td> <td>30,471,633</td> <td>5,470</td> <td>0</td> <td>392,355</td> <td rowspan="2">This case was approved and announced in the Market Observation Post System after the meeting.</td> </tr> <tr> <td>Proportion</td> <td>100.00%</td> <td>98.71%</td> <td>0.02%</td> <td>0</td> <td>1.27%</td> </tr> </tbody> </table>	Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking	Weight	30,869,458	30,471,633	5,470	0	392,355	This case was approved and announced in the Market Observation Post System after the meeting.	Proportion	100.00%	98.71%	0.02%	0	1.27%
		Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking														
		Weight	30,869,458	30,471,633	5,470	0	392,355	This case was approved and announced in the Market Observation Post System after the meeting.														
		Proportion	100.00%	98.71%	0.02%	0	1.27%															
		<p>Discussion Matters (A) :</p> <p>1. The voting result of the amendment of the Company's Article of Association is as follows. The voting weights represent 98.71% of the voting rights of the shareholders at the time of voting.</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Attendance at shareholders' voting rights</th> <th>Agree</th> <th>Opposition</th> <th>Invalid</th> <th>Abstaining/Not voting</th> <th>Resolution results/implementation status tracking</th> </tr> </thead> <tbody> <tr> <td>Weight</td> <td>30,869,458</td> <td>30,471,662</td> <td>5,446</td> <td>0</td> <td>392,350</td> <td rowspan="2">This case was approved and announced in the Market Observation Post System after the meeting. And completed the change of the Ministry of Economic Affairs on 2021.8.10.</td> </tr> <tr> <td>Proportion</td> <td>100.00%</td> <td>98.71%</td> <td>0.02%</td> <td>0</td> <td>1.27%</td> </tr> </tbody> </table>	Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking	Weight	30,869,458	30,471,662	5,446	0	392,350	This case was approved and announced in the Market Observation Post System after the meeting. And completed the change of the Ministry of Economic Affairs on 2021.8.10.	Proportion	100.00%	98.71%	0.02%	0	1.27%
		Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking														
		Weight	30,869,458	30,471,662	5,446	0	392,350	This case was approved and announced in the Market Observation Post System after the meeting. And completed the change of the Ministry of Economic Affairs on 2021.8.10.														
		Proportion	100.00%	98.71%	0.02%	0	1.27%															
<p>Election Matters:</p>																						

Election Result:

The elected 9th terms of Directors (including Independent Director) are listed as following:

Implementation Status Tracking: The Company announced in the Market Observation Post System promptly after the meeting.

Candidates			Election Weight			Result
Type	Account No. /ID No.	Name	Electronic Voting	Physical Voting	Total	
Director	31246	Da Jyun Capital Investment Corporation Representative: Yang, Chih-hui	37,377	38,221,000	38,258,377	Elected
Director	22433	Beidebixiu Investment Co., Ltd. Representative: Chen, Tsung-chi	140,442	34,781,000	34,921,442	Elected
Director	28132	JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Wu, Chun-yi	35,205	34,632,164	34,667,369	Elected
Director	28132	JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Lai, Kuan-ling	36,161	33,181,000	33,216,161	Elected
Director	22433	Beidebixiu Investment Co., Ltd Representative: Tang, Hung-te	142,079	32,407,942	32,550,021	Elected
Independent Director	19119	Wang, Wen-chu	35,267	32,370,000	32,405,267	Elected
Director	22433	Beidebixiu Investment Co., Ltd Representative: Chen, Jui-chieh	37,374	31,067,897	31,105,271	Elected
Director	29345	National Development Fund, Executive Yuan Representative: Wu, Ming-hsien	30,637,208	71,000	30,708,208	Elected
Director	22433	Beidebixiu Investment Co., Ltd Representative: Wang, Hui-chun	37,400	27,449,000	27,486,400	Elected
Independent Director	H10163****	Yang, Shih-chieh	35,245	20,591,000	20,626,245	Elected
Independent Director	T12085****	Chiu, Chun-jung	35,903	18,862,757	18,898,660	Elected

Discussion Matters (B):

1. The voting result of releasing of newly elected Director from the non-competition restrictions are as follows. The voting weights represent 98.70% of the voting rights of the shareholders at the time of voting.

Items	Attendance at shareholders' voting rights	Agree	Opposition	Invalid	Abstaining/Not voting	Resolution results/implementation status tracking
Weight	30,869,458	30,468,216	8,566	0	392,676	This case was

		Proportion	100.00%	98.70%	0.03%	0	1.27%	approved and announced in the Market Observation Post System after the meeting.
Note: The voting weights include the electronic voting weights.								
Board of Directors	Date	Important resolutions					Implementation status tracking	
The 14 th meeting of the 8 th session of the Board of Directors	2021.01.22	1. Amended and approved the Company's 2021 budget and annual operating plan.					Approved by the solution of the Board of Directors and the supplemented report of the meeting was sent to all directors for reference together with the meeting minute on 2/9.	
		2. Approved the loan of funds between related parties —MTI Holding Co., Ltd. loans to MetaTech (S) Pte Ltd. For USD 500 Thousand.					It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.	
		3. Approved the loan of funds between related parties —MTI Holding Co., Ltd. loans to MetaTech Ltd. For USD 1,000 Thousand.					It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.	
		4. Approved the adjusted proposed application to the Chinatrust Commercial Bank for the renewal of the comprehensive lending facility and the mutual endorsement of the guarantee between the Company and Hong Kong fourth-tier company MetaTech Limited.					In accordance with the suggestion of the Audit Committee, the consolidated controlled credit is emphasized in the meeting minute of adjusting up the amount from NT\$50,000 Thousand to NT\$85,000 Thousand and the guarantee content is announced in the Market Observation Post System after meeting. On 2021/2/5, the counter insurance procedure was completed	
		5. Approved to apply to Mega Bank for the renewal of a short-term comprehensive credit line.					It was implemented according to the resolution of the Board of Directors. Completed the bank guarantee procedure on 2021/2/17.	
		6. Approved the ratification of the re-designation of corporate directors of subsidiary Metatech Investment Holding Co., Ltd. and second-tier subsidiary MTI					Ratified by the Board of Directors and the process was completed.	

		<p> Holding Co., Ltd.</p> <p>7. Approved the proposal to adjust the salary of Mr. Shih-Chun Wang, assistant manager of Taiwan Operations Division.</p> <p>8. Approved the payment of the year-end bonus to the management for 2020.</p>	<p>It was implemented according to the resolution of the Board of Directors.</p> <p>It was implemented according to the resolution of the Board of Directors. The payment was made on 2/5.</p>
<p>The 15th meeting of the 8th session of the Board of Directors</p>	<p>2021.03.26</p>	<p>1. Approved the “Statement of Internal Control System” for 2020.</p>	<p>It was implemented and ratified by the Board of Directors.</p>
		<p>2. Approved to adjust the organizational structure of the Biomedical Division and to revise regulations regarding the appointment and removal of auditing staffs.</p>	<p>It was implemented and ratified by the Board of Directors. The announcement was made to the Group after the meeting.</p>
		<p>3. Approved the credit line application to Taiwan Business Bank</p>	<p>It was implemented according to the resolution of the Board of Directors. Completed the bank guarantee procedure on 4/20</p>
		<p>4. Amended and approved the individual financial statements and consolidated financial statements of the Company for FY2020.</p>	<p>It was approved and adjusted according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting. Amendments were made to the business development status of the Biomedical Division and the items to be promoted in the Business Report for 2020 upon the suggestion of the Directors in the Tenth Report, and the amended annex was sent to the Directors with the agenda on 4/15.</p>
		<p>5. Approved the appropriation for the Company’s FY2020 loss.</p>	<p>It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.</p>
		<p>6. Approved the date, time, location, and motions for the 2021 annual meeting of shareholders, the use of electronic means to exercise voting rights was also approved.</p>	<p>It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.</p>
		<p>7. Approved the proposal for the election of directors (including independent</p>	<p>It was implemented according to the resolution of</p>

		directors) of the Company, as well as the nomination period, the number of candidates to be elected, and the premises for accepting nominations.	the Board of Directors and announced in the Market Observation Post System on 4/13.
		8. Approved the proposal to lift the non-compete restriction for new directors elected at this year's annual meeting of shareholders.	It was approved according to the resolution of the Board of Directors and a motion will be proposed at the shareholders' meeting on 6/29.
		9. Approved the proposal for the Company's subsidiary, LOCUS Cell Co., Ltd., to conduct a capital increase in cash with a total amount of NT\$1,999 million capital to be invested, and the expected paid-in capital after the capital increase to be NT\$2 billion.	It was approved according to the resolution of the Board of Directors and the funds were fully received on 5/12, and an extraordinary general meeting is expected to be held on 5/31 to re-elect directors and supervisors.
		10. Amended and approved the amendment to the Company's operation plan for sound performance.	It is amended and approved according to the resolution of the Board of Directors and the amended annex was sent together with the meeting minute to all directors on 4/15.
The 16th meeting of the 8th session of the Board of Directors	2021.05.14	1. Approved revisions of the "Procedures for Internal Control System Self-Assessment".	It was implemented according to the resolution of the Board of Directors and it is announced to the Group after the meeting.
		2. Approved the establishment of the Company's "Regulations for Human Rights Policy".	It was implemented according to the resolution of the Board of Directors and it is announced to the Group after the meeting.
		3. Approved the proposed amendments to certain articles of the Company.	It was approved by the Board of Directors and a motion was sent to the Shareholders' Meeting for discussion and voting.
		4. Approved the request for by-election for the Company's remuneration committee.	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
		5. Approved the audit fee payment for the second quarter of 2021 to the first quarter of 2022 for the firm of PwC.	It was implemented according to the resolution of the Board of Directors.
		6. Amended and approved the discontinuation of the private placement	It is amended and approved by the Board of Directors.

		of common stock passed at the Company's 2020 annual meeting of shareholders.	The audit committee instructed that the proposed discontinuation should state that the reason for the discontinuation is that a cash capital increase proposal has been approved and not solely due to expiration. After amendments were made, it is announced on the Market Observation Post System after the meeting.
		7. Approved the acceptance of shareholders' proposals and the election of director (including independent director) candidates for review.	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
		8. Approved the motions of the 2021 annual meeting of shareholders.	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
		9. Approved the proposed establishment of the Electronics Business Group and the Biomedical Business Group to unify related businesses, and related organizational structure revisions.	It was implemented according to the resolution of the Board of Directors and announced to the Group after the meeting.
		10. Approved the proposal to adjust the remuneration of Mr. Chi-Chung Chien, assistant manager of the Finance Department.	It was implemented according to the resolution of the Board of Directors.
The 17th meeting of the 8th session of the Board of Directors	2021.06.22	1. Proposal on resetting the date and venue of the Company's 2021 General Meeting of Shareholders	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
		2. Proposal on amendment of the "Regulations on Supervision and Management of Subsidiaries" of the Company.	It is amended and approved according to the resolution of the Board of Directors and announced to the Group.
		3. Proposal on director nominations of LOCUS Cell Co., Ltd.	It is ratified by the Board of Directors and LOCUS Cell Co., Ltd. had updated the information registered at Ministry of Economic Affairs within 20 days after the Shareholders' Meeting.
		4. Proposal on LOCUS Cell Co., Ltd.	It was implemented

		undertook the Company's original Zhubei land lease contract.	according to the resolution of the Board of Directors and relevant regulations.
The 1st meeting of the 9th session of the Board of Directors	2021.07.20	1. To elect the Chairman and Vice Chairmen for the 9th term of the Company	All attended directors unanimously passed to elect Mr. Yang, Chih-hui as the 9 th Chairman and Mr. Chen, Tsung-chi as the Deputy chairman. And it is announced at the Market Observation Post System and the change of the registration form of the Ministry of Economic Affairs after the meeting. (The change has been completed on 8/10).
		2. Appointment of the members of the 5th term, of Remuneration Committee of the Company.	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
The 2nd meeting of the 9th session of the Board of Directors	2021.08.13	1. Insert certain revised cycles of "Internal Control System".	This case was approved by all the attended directors with the Chairman's inquiry, and it is amended according to the suggestion from the Audit Committee members to amend the currency and unit of the approval authority. And an announcement was made to the Group after the meeting.
		2. Appointment of members of the second Biomedical Development Committee of the Company.	It was implemented according to the resolution of the Board of Directors and announced in the Market Observation Post System after meeting.
		3. The consolidated financial reports of the Company for the second quarter of 2021 have been compiled and audited by PwC which plans to issue an unqualified review report.	This case was approved by all the attended directors with the Chairman's inquiry, and the financial figures are announced in the Market Observation Post System after meeting.
		4. The proposal for renewal of credit line from Taiwan Business Bank.	This case was approved by all the attended directors with the Chairman's inquiry. The bank guarantee process was completed on 10/6.

		5. The proposal for renewal of credit line from Chang Hwa Commercial Bank, Ltd.	This case was approved by all the attended directors with the Chairman's inquiry. The bank guarantee process was completed on 10/6.
		6. The proposal for application of credit line from Proposed to Land Bank of Taiwan.	This case was approved by all the attended directors with the Chairman's inquiry. The bank guarantee process was completed on 8/30.
		7. The proposal for the loan of funds between related parties —MTI Holding Co., Ltd. loans to MetaTech (S) Pte Ltd. For USD 2,000 Thousand.	This case was approved by all the attended directors with the Chairman's inquiry and announced in the Market Observation Post System after meeting.
		8. The proposal for the loan of funds between related parties —MetaTech (AP) Inc. loans to MetaTech (S) Pte Ltd. For USD 1,000 Thousand.	This case was approved by all the attended directors with the Chairman's inquiry and announced in the Market Observation Post System after meeting.
		9. The proposal for the reassigned representative of the corporate director from the 4th tier company MetaTech (S) Pte Ltd. and MetaTech Ltd.	This case was approved by all the attended directors with the Chairman's inquiry and announced in the Market Observation Post System after meeting.
		10. The proposal for the remuneration of the Chairman Mr. Yang, Chih-hui.	This case was approved by all the attended directors with the Chairman's inquiry and is in completion.
		11. The proposal for the remuneration of the Deputy chairman Mr. Chen, Tsung-chi.	This case was approved by all the attended directors with the Chairman's inquiry and is in completion.
		12. The proposal for the 2020 capital increase in cash by the managers of the Company.	This case was approved by all the attended directors with the Chairman's inquiry and the employees have made the payments for the shares between 9/13 and 9/17.
The 3rd meeting of the 9th session of the Board of Directors	2021.11.12	1. The 2022 Annual Audit Plan of the Company.	This case was approved by all the attended directors with the Chairman's inquiry. After the manpower is replenished next year, the project audit will be arranged as necessary.
		2. The proposal for the amendment of the annex to the "Regulations for Performance Assessment of the Board of	This case was approved by all the attended directors' textual modification with the

		Directors and functional committees” of the Company.	Chairman’s inquiry. A questionnaire will be sent to all directors to fill in before the end of January 2022, and the evaluation results will be reported at the Board meeting in March after statistics are collected by the administration unit.
		3. The consolidated financial reports of the Company for the third quarter of 2021 have been compiled and audited by PwC which plans to issue an unqualified review report.	This case was approved by all the attended directors with the Chairman’s inquiry and the financial figures are announced in the Market Observation Post System after meeting. The report is submitted to Taipei Exchange on 11/15 and the declaration at Securities and Future Bureau is completed.
		4. The proposal for amendment of liability commitment and contingency management system.	This case was approved by all the attended directors with the Chairman’s inquiry. And announced to the Group after the meeting.
		5. The proposal for Board authorization to the Chairman and Biomedical Division to have discussion with Japanese consultant Dr. Masato Sato for the joint development of allogeneic chondrocyte therapy products in Taiwan.	This case was approved by all the attended directors with the Chairman’s inquiry. The results of discussions on laws, technologies, markets, cooperation models and funds will be reported at the Board meeting in the future.
		6. The proposal for signing the “cooperation contract” with LOCUS Cell Co., Ltd.	The relevant stakeholders have been asked to withdraw, and the case is approved with the inquiry to all attended directors by the acting president Mr. Chiu, Chun-jung of the Independent Director. The relevant details of the follow-up cooperation under the contract will be submitted to the Board of the Director for deliberation each time. The Contract was signed on 12/8.
The 4th meeting of the 9th session of the Board of	2021.12.28	1. The ratification case for the spokesperson post of the Company was changed from the assistant manager Lin, Wen-chieh to the President Tang, Hung-te and it was implemented on 2021/11/22.	This case was approved by all the attended directors with the Chairman’s inquiry. The relevant stakeholders have been asked to withdraw and

Directors			the process has been completed.
		2. The proposal for the renewal of short-term assorted credit line with Mega International Commercial Bank.	This case was approved by all the attended directors with the Chairman's inquiry. The bank guarantee process was completed at 2022/1/14.
		3. The proposal for the application to the Chinatrust Commercial Bank for the renewal of the comprehensive lending facility and the mutual endorsement of the guarantee between the Company and Hong Kong fourth-tier company MetaTech Limited.	This case was approved by all the attended directors with the Chairman's inquiry, and the endorsement and guarantee part was announced in the Market Observation Post System after meeting. After the Bank takes consideration of the transactions with the Company and gives a grace period till 2022/5 for bank guarantee process.
		4. The proposal for the loan of funds between related parties —MTI Holding Co., Ltd. loans to MetaTech Limited For USD 1,000 Thousand.	This case was approved by all the attended directors with the Chairman's inquiry and announced in the Market Observation Post System after meeting.
		5. The proposal for the amendment for the "Regulations for the establishment of Independent Director and Matters to be Followed".	This case was approved by all the attended directors with the Chairman's inquiry and announced to the Group after the meeting.
		6. The proposal for the establishment of "Regulations for Stock Operation Management"	This case was approved by all the attended directors with the Chairman's inquiry and announced to the Group after the meeting.
		7. The proposal for the establishment of "Regulations for Budget Management"	This case is approved by all attended directors on textual modification with the Chairman's inquiry. The amended version was sent to all directors together with the minute on 2022/1/17 and announced to the Group.
		8. The proposal for the Company's FY 2022 budget and annual operating plan.	This case was approved by all the attended directors with the Chairman's inquiry and will be executed faithfully.
		9. The proposal for the payment of the 2021 year-end bonus to the management.	This case was approved by all the attended directors with the Chairman's inquiry and

			the payment was made on 2022/1/21.
The 5th meeting of the 9th session of the Board of Directors	2022.03.25	1. The proposal for the “Statement of Internal Control System” for 2021.	This case was revised and approved by all attended directors with the Chairman’s inquiry, and it was submitted on 3/28.
		2. The proposal for the amendment for the Regulations of Internal Control Systems and Internal Audit Implementation Details.	This case was revised and approved by all attended directors with the Chairman’s inquiry and announced to the Group after the meeting.
		3. The proposal for the amendment for the “Administrative Business and Electronic Business Group Approval Authority Table”	This case was revised and approved by all attended directors with the Chairman’s inquiry, and announced to the Group after the meeting.
		4. The proposal for signing “Venue and Equipment Lease Agreement” with LOCUS Cell Co., Ltd.	This case was approved by all the attended directors with the Chairman’s inquiry and the contract is signed on 3/31.
		5. The proposal for signing “Laboratory Lease Agreement” with Up Cell Biomedical Inc.	This case was approved by all the attended directors with the Chairman’s inquiry and the contract is signed on 3/31.
		6. The review proposal for the individual financial statements and consolidated financial statements of the Company for FY2021.	This case was approved by all the attended directors with the Chairman’s inquiry and it was submitted on 3/30.
		7. The proposal for the appropriation for the Company’s FY2021 loss	This case was approved by all the attended directors with the Chairman’s inquiry. It will be proposed at the Shareholders’ Meeting dated 6/29 for ratification.
		8. The proposal for the third domestic secured convertible corporate bond and employee stock option conversion and issuance of new shares for the Company.	This case was approved by all the attended directors with the Chairman’s inquiry and the change registration was completed at 4/18.
		9. The proposal to lift the non-compete restriction for directors of the Company at this year’s Board of Directors.	This case was approved by all the attended directors with the Chairman’s inquiry. It will be proposed at the Shareholders’ Meeting dated 6/29 for approval.
		10. The proposal for amendment of the “Procedure for acquisition or disposal of asset”.	This case was approved by all the attended directors with the Chairman’s inquiry. It will be proposed at the

			Shareholders' Meeting dated 6/29 for approval.
		11. The proposal for the date, time, location, and motions for the 2022 Board of Directors, the use of electronic means to exercise voting rights.	This case was approved by all the attended directors with the Chairman's inquiry. It will made in public on the Market Observation Post System after the meeting.
		12. The proposed renewal of credit line from Agricultural Bank of Taiwan.	This case was approved by all the attended directors with the Chairman's inquiry and the bank guarantee process was completed at 3/29.
		13. The proposed application of credit line from Bank of Panhsin.	This case was approved by all the attended directors with the Chairman's inquiry and the bank guarantee process was completed at 3/29.
The 6th meeting of the 9th session of the Board of Directors	2022.05.13	1. The consolidated financial reports of the Company for the first quarter of 2022 have been compiled and audited by PwC which plans to issue a review report with unqualified conclusions.	This case was approved by all the attended directors with the Chairman's inquiry and was announced on the Market Observation Post System after the meeting.
		2. The proposal for the independence and competency assessment of the chartered accountants and the audit fee of PwC from the second quarter of 2022 to the first quarter of 2023.	This case was approved by all the attended directors with the Chairman's inquiry and the commissioning process was completed on 5/17.
		3. The proposed application of credit line from Taishin Bank.	This case was approved by all the attended directors with the Chairman's inquiry.
		4. The proposal for the amendment of certain clauses of "Practice Principle of the Corporate Governance" of the Group.	This case was approved by all the attended directors with the Chairman's inquiry and was announced to the Group after the meeting.
		5. The proposal for the amendment of certain clauses of "Practice Principle of the Corporate Social Responsibilities" of the Group.	This case was approved by all the attended directors with the Chairman's inquiry. And it will be reported at the Shareholders' Meeting on 2022.6.29.
		6. The proposal for the date, time, location, and motions for the 2022 Board of Directors, the use of electronic means to exercise voting rights.	This case was approved by all the attended directors with the Chairman's inquiry and was announced on the Market Observation Post System after the meeting.
		7. The proposal for the amendment of "Remuneration Committee	This case was approved by all the attended directors with

		Organizational Regulations”.	the Chairman’s inquiry and was announced to the Group after the meeting.
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(M) In the most recent year and as of the publication of the annual report, the directors or supervisors had different opinions on the important resolutions passed by the Board of Directors and there were records or written statements. The main content: No such situation.

(N) In the most recent year and up to the date of printing annual reports, the resignation and dismissal of persons related to financial reporting: (including the chairman, general manager, chief accountant, chief internal auditor, head of corporate management, head of research and development):

May 31, 2021

Title	Name	Appointment Date	Dismissal date	Reasons for resigning or dismissal
Chairman	Hu, Li-san	2015.06.30	2021.07.20	Dismissal due to re-election
Technology Chief of Biomedical Affair Office	Liu, Heng-yu	2016.04.01	2021.11.15	Resignation

Audit fees of the CPAs:

(A) Information for Audit fees of the CPAs

Unit: Thousand NT\$

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non - Audit Fee	Total	Remark
PricewaterhouseCoopers Taiwan	Hsu, Ming-chuan	2021/01/01/~2021/12/31	2,270	635	2,905	The non-audit fees cover tax filing, additional explanations, English translations, other information study and consideration, review of Salary information Check Table, and advanced payment for audit of 2020 financial statement and tax filing.
	Chih, Ping-chun	2021/01/01/~2021/12/31				

Please specify the content of non-audit services: (e.g. tax visa, assurance or other financial advisory services)

Note : If the company has changed accountants or accounting firms this year, the audit period shall be listed separately, cause for the change shall be noted in the remarks column and disclose the audit and non-audit fees paid in sequence. Non-audit fees should be annotated to explain its service contents.

- (B) In the event that the non-audit fees payment of the Company to the CPA, CPA belonging firm and its affiliate are more than 4% of the audit fees: Yes (The tax filing is now treated as non-audit fees).
- (C) In the event that the CPA firm is changed and the audit fees paid in the year when the CPA firm is less than that paid in the preceding year, reduction of the audit fees, percentage and causes: Not applicable.
- (D) In the event that the audit fees reduced by 10% compared with that was charged in the preceding year: NT\$2,800,000 for Y2020, NT\$2,270,000 for Y2021, reduced 18.93% . (The tax filing is now treated as non-audit fees).

E. In the most recent two years and subsequent periods, the information for Change of the CPA:

Regarding the former CPA:

Change Date	2017.01.01		
Cause and explanation	To cooperate with the internal adjustment of the PricewaterhouseCoopers Taiwan		
Specify whether appointer or CPA terminates or rejects the appointment	Party	CPA	Appointer
	Situation		
	Proactively terminate the appointment	Not applicable	Not applicable
	No longer accept (continue) appointment	Not applicable	Not applicable
The comments and causes for issue of the audit report other than unqualified opinions within the latest two years	Not applicable		
Disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statement
			Scope or steps of audit
			Others
	No	V	
	Note		
Other disclosure (in accordance to Item 4-7 of paragraph 6 of Article 10 of this Code)	Not applicable		

Regarding the succeeding CPA:

Accounting Firm	PricewaterhouseCoopers Taiwan
Name of CPA	Hsu, Ming Chuan
Date of appointment	Not applicable
Accounting measures or principles with respect to certain transactions prior to the appointment and inquiries and result as to the comments likely to be issued with respect to the financial statements	Not applicable
Succeeding CPA's written opinion towards the disagreement with the former CPA	Not applicable

F. The Company's chairman, presidents, and managers responsible for finance or accounting who have held a position in the CPA office or its affiliates within the latest year: None

G. Changes or transfer in shareholding by directors, supervisors, management, and major shareholders

(A) Changes in shareholding by directors, supervisors, management, and major shareholders

Unit: share

Title	Name	Year 2021		Ended the transfer date as of 2022/5/1	
		Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares	Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares
Director	Beidebixiu Investment Co., Ltd.	-	-	-	-
Corporate Director Representative	Beidebixiu Investment Co., Ltd. Representative: Chen, Tsung-chi	-	-	-	-
Corporate Director Representative and Chairman	Beidebixiu Investment Co., Ltd. Representative: Hu, Li-san (Note 1)	-	-	-	-
Corporate Director Representative and President	Beidebixiu Investment Co., Ltd. Representative: Tang, Hung-te	-	-	-	-
Corporate Director Representative	Beidebixiu Investment Co., Ltd. Representative: Chen, Jui-chieh (Note 2)	-	-	-	-

Title	Name	Year 2021		Ended the transfer date as of 2022/5/1	
		Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares	Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares
Corporate Director Representative	Beidebixiu Investment Co., Ltd. Representative: Wang, Hui-chun	-	-	-	-
Corporate Director Representative	Beidebixiu Investment Co., Ltd. Representative: Yang, Hung-jen (Note 2)	-	-	-	-
Director	JUN INVESTMENT INTERNATIONAL CO., LTD.	751,516		(2,600,000)	-
Corporate Director Representative	JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Wu, Cheng-lung (Note 3)	3,684,319	-		-
Corporate Director Representative	JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Wu, Chun-yi (Note 4)	-	-		-
Corporate Director Representative	JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Lai, Kuan-ling		-		-
Director	National Development Fund, Executive Yuan	382,928	-	-	-
Corporate Director Representative	National Development Fund, Executive Yuan Representative: He, Hung-neng (Note 5)	-	-	-	-
Corporate Director Representative	National Development Fund, Executive Yuan Representative: Wu, Ming-hsien	-	-	-	-
Director	Dajun Investment Co., Ltd.	-	-	-	-
Corporate Director Representative Chairman	Dajun Investment Co., Ltd. Representative: Yang, Chih-hui	6,894	-	-	-

Title	Name	Year 2021		Ended the transfer date as of 2022/5/1	
		Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares	Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares
Corporate Director Representative	Da Jyun Capital Investment Corporation Representative: Chao, Hung-chang (Note 6)	-	-	-	-
Independent Director	Wu, Jung-yi (Note 7)	-	-	-	-
Independent Director	Chen, Jung-hua (Note 7)	-	-	-	-
Independent Director	Wang, Wen-chu	-	-	-	-
Independent Director	Yang, Shih-chieh				
Independent Director	Chiu, Chun-jung				
Auditing Assistant Manager	Ni, Yung-fa	-	-	-	-
Biomedical Affairs Office Assistant Manager	Liu, Heng-yu (Note 8)	-	-	-	-
Finance Department Assistant Manager	Chan, Chih-tsung	-	-	-	-
Investment Relationships Department Assistant Manager	Lin, Wen-chieh (Note 9)	-	-	22,000	-

Title	Name	Year 2021		Ended the transfer date as of 2022/5/1	
		Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares	Plus (+)/Minus (-) number of shares held	Plus (+)/Minus (-) number of pledged shares
Assistant Manager of Taiwan Operating Office	Wang, Shih-chun	-	-	-	-
Assistant Manager of General Administration	Teng, An-chih (Note 10)	-	-	-	-

- Note: 1. Hu, Li-san, the director representative of Corporate Director Beidebixiu Investment Co., Ltd., was dismissed on 2021.07.20 after re-election.
2. The Corporate Director Beidebixiu Investment Co., Ltd. reassigned director representative on 2022.03.21 from Chen, Jui-chieh to Yang, Hung-jen.
3. Wu, Cheng-lung, the director representative of Corporate Director JUN INVESTMENT INTERNATIONAL CO., LTD., was dismissed on 2021.07.20 after re-election.
4. Wu, Chun-yi, the director representative of Corporate Director JUN INVESTMENT INTERNATIONAL CO., LTD., resigned the post of director on 2021.12.23 due to personal business, and the seats of the Corporate Director were reduced from 2 seats to 1 seat.
5. He, Hung-neng, the director representative of Corporate Director National Development Fund, Executive Yuan, was dismissed on 2021.07.20 after re-election.
6. Chao, Hung-chang, the director representative of Corporate Director Da Jyun Capital Investment Corporation, was dismissed on 2021.07.20 after re-election.
7. Independent Directors Wu, Jung-yi and Chen, Jung-hua were dismissed on 2021.07.20 after re-election.
8. Liu, Heng-yu, the Assistant Manager of Biomedical Affair Office resigned on 2021.11.15, and the post is temporarily replaced by Chen, Chien-chang, the Deputy Chief of Biomedical Affair Office.
9. The Assistant Manager of Investment Relationship Department resigned on 2022.1.7 due to personal career planning. In response to the organizational structure change, the spokesperson post is taken by the President Tang, Hung-te on 2021.11.22 after announcement.
10. Teng, An-chih, the Assistant Manager of General Administration resigned on 2021.7.1 and the post is temporarily replaced by Chou, Hui-ching, the Deputy Chief of General Administration.

(B) Directors, Supervisors, Managers and Major Shareholders Transfer of Ownership:
None.

(C) Directors, Supervisors, Managers and Major Shareholders Equity Pledge Information:
None.

H. Information of the relationships between top ten shareholders

Book closure date: 2022/05/01; Unit: Share; %

Name (Note 1)	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Wu, Cheng-lung	7,570,319	11.10%	-	-	1,058,240	1.55%	JUN INVESTMENT INTERNATIONAL CO., LTD.	Chairman	
JUN INVESTMENT INTERNATIONAL CO., LTD.	3,601,516	5.28%	-	-	-	-	Wu, Cheng-lung	Chairman	
JUN INVESTMENT INTERNATIONAL CO., LTD. Representative: Wu, Cheng-lung	7,570,319	11.10%	-	-	-	-	Wu, Cheng-lung	Same Person	
National Development Fund, Executive Yuan	3,159,928	4.64%	-	-	-	-	-	-	
Beidebixiu Investment Co., Ltd.	3,141,924	4.61%	-	-	-	-	-	-	
Beidebixiu Investment Co., Ltd. Representative: Chen, Tsung-chi	0	0%	-	-	-	-	-	-	
Huan Cheng Shi Yu Investment Co., Ltd.	2,499,000	3.67%	-	-	-	-	-	-	
Huan Cheng Shi Yu Investment Co., Ltd. Representative: Yu,	0	0%	-	-	-	-	-	-	

Chi-lin									
Huang, Ming-yu	1,316,000	1.93%	-	-	-	-	-	-	
Shih, Chin-sheng	1,310,298	1.92%	-	-	-	-	-	-	
Wu, Chun-yi	1,300,000	1.91%	-	-	-	-	Wu, Cheng-lung	Father and Son	
							JUN INVESTMENT INTERNATIONAL CO., LTD.	Supervisor	
Wu, Yi-chi	1,300,000	1.91%	-	-	-	-	Wu, Cheng-lung-	Father and Daughter	
							JUN INVESTMENT INTERNATIONAL CO., LTD.	Director	
Ou, Ssu-chia	1,128,000	1.65%	-	-	-	-	-	-	

Note 1: The top 10 shareholders should be all listed, and the name of the corporate shareholders and its representative shall be listed respectively.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in their own name, spouse, or minor children or in the name of others.

Note 3: Shareholders listed in the previous disclosure include legal persons and natural persons, and their relationship with each other shall be disclosed in accordance with the issuer's financial reporting standards.

I. The number of shares held by the Company, the Company's directors, supervisors, managers, and directly or indirectly controlled by the same investment business and combined to calculate the total shareholding ratio

Unit: Share; %

Invested Business	The Company's investment		Directors, supervisors, managers, and direct or indirect control of investment in the business		Total holdings	
	Shares	%	Shares	%	Shares	%
MetaTech Investment Holding Co.,Ltd.	10,000,000	100.00	-	-	10,000,000	100.00
MTI Holding Co.,Ltd	-	-	10,000,000	100.00	10,000,000	100.00
MetaTech (S) Pte Ltd.	-	-	3,800,000	100.00	3,800,000	100.00
MetaTech Ltd.	-	-	46,000,000	100.00	46,000,000	100.00
MetaTech (SZ) Ltd.	-	-	Not applicable	100.00	Not applicable	100.00
Jianhua Travel Agency Co., Ltd.	800	100.00	-	-	800	100.00
Up Cell Biomedical Inc. (Note 1)	3,300,000	25.38			3,300,000	25.38
LOCUS Cell Co., Ltd.	30,000,000	15.00	32,916,000	16.46	62,916,000	31.46

Note 1: It is the company's long-term investment using the equity method.

IV. Capital Overview

A. Capital and shares (A) Source of equity

2021/05/01 Unit: NT\$Thousand; Thousand shares

Month/ Year	Par value (NT\$/ Share)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increased by assets other than cash	Other
1998.09	10	1,000	10,000	1,000	10,000	Cash establishment	-	Note 1
2001.12	10	12,000	120,000	12,000	120,000	Capital increase in cash,	-	Note 2
2002.12	15	30,000	300,000	16,800	168,000	Capital increase in cash,	-	Note 3
2003.09	10	30,000	300,000	19,470	194,700	Surplus and bonus converting to capital increase, \$9,900 Thousand	-	Note 4
						Capital surplus transferred to common stock, \$16,800 Thousand		
2004.06	10	30,000	300,000	23,900	239,000	Surplus and bonus converting to capital increase, \$4,430 Thousand	-	Note 5
2005.09	10	30,000	300,000	26,600	266,000	Surplus and bonus converting to capital increase, \$20,054 Thousand	-	Note 6
						Capital surplus transferred to common stock, \$6,946 Thousand		
2006.06	10	100,000	1,000,000	30,000	300,000	Surplus and bonus converting to capital increase, \$34,000 Thousand	-	Note 7
2006.10	14	100,000	1,000,000	36,000	360,000	Capital increase in cash, \$60,000 Thousand	-	Note 8
2006.12	17.10	100,000	1,000,000	37,363	373,625	Corporate bond converting to ordinary shares, \$13,625 Thousand	-	Note 9
2007.03	17.10	100,000	1,000,000	37,579	375,789	Corporate bond converting to ordinary shares, \$2,164 Thousand	-	Note 10
2007.06	10	100,000	1,000,000	41,959	419,589	Surplus and bonus converting to capital increase, \$19,546 Thousand	-	Note 11

						Capital surplus transferred to common stock, \$24,254 Thousand		
2007.06	17.10	100,000	1,000,000	42,152	421,519	Corporate bond converting to ordinary shares, \$1,930 Thousand	-	Note 12
2007.09	17.10	100,000	1,000,000	42,316	423,163	Corporate bond converting to ordinary shares, \$1,645 Thousand	-	Note 13
2008.09	11.60	100,000	1,000,000	43,316	433,163	Capital surplus transferred to common stock, \$10,000 Thousand	-	Note 14
2010.12	11.60	100,000	1,000,000	43,325	433,249	Corporate bond converting to ordinary shares, \$86 Thousand	-	Note 15
2011.04	10	100,000	1,000,000	42,004	420,039	Cancellation of treasury shares by \$13,210 Thousand	-	Note 16
2013.11	10	100,000	1,000,000	30,000	300,000	Capital reduction to make up for losses \$120,039 Thousand		Note 17
2015.01	20.05	100,000	1,000,000	40,000	400,000	Capital increase in cash, 100,000 Thousand	-	Note 18
2017.05	37.35	100,000	1,000,000	43,949	439,491	Corporate bond converting to ordinary shares, \$39,491 Thousand	-	Note 19
2017.09	37.35	100,000	1,000,000	44,016	440,160	Corporate bond converting to ordinary shares, \$669 Thousand	-	Note 20
2018.01	36	100,000	1,000,000	58,016	580,160	Capital increase in cash, \$140,000 Thousand	-	Note 21
2021.10	39.5	200,000	2,000,000	68,016	680,160	Capital increase in cash, \$100,000 Thousand	-	Note 22
2022.04	54.5/ 58.6	200,000	2,000,000	68,173	681,726	Employee stock option execution \$960 Thousand	-	Note 23
	Corporate bond converting to ordinary shares, \$606 Thousand					-		

Note 1. Approval Letter No.: 1998.09.17 Approval No. 00592284

Note 2. Approval Letter No.: 2002.01.09 Approval No. 09101001740

Note 3. Approval Letter No.: 2002.09.26 Approval No. 0910151865

Note 4. Approval Letter No.: 2003.09.15 Approval No. 09232661990

Note 5. Approval Letter No.: 2004.06.11 Approval No. 09332220350

Note 6. Approval Letter No.: 2005.09.02 Approval No. 09432742670

Note 7. Approval Letter No.: 2006.08.04 Approval No. 09532624610

Note 8. Approval Letter No.: 2006.08.21 Approval No. 0950135986
 Note 9. Approval Letter No.: 2007.04.23 Approval No. 09632010150
 Note 10. Approval Letter No.: 2007.05.15 Approval No. 09632112690
 Note 11. Approval Letter No.: 2007.07.09 Approval No. 0960034965
 Note 12. Approval Letter No.: 2007.09.05 Approval No. 09632722790
 Note 13. Approval Letter No.: 2007.12.11 Approval No. 09633185050
 Note 14. Approval Letter No.: 2008.07.07 Approval No. 0970033733
 Note 15. Approval Letter No.: 2010.12.22 Approval No. 0993177428
 Note 16. Approval Letter No.: 2011.04.18 Approval No. 1005022056
 Note 17. Approval Letter No.: 2013.11.08 Approval No. 1020042213
 Note 18. Approval Letter No.: 2015.01.16 Approval No. 1030053618
 Note 19. Approval Letter No.: 2017.05.23 Approval No. 1068031847
 Note 20. Approval Letter No.: 2017.09.08 Approval No. 1068058488
 Note 21. Approval Letter No.: 2018.01.29 Approval No. 09633185050
 Note 22. Approval Letter No.: 2021.10.27 Approval No. 11001198310
 Note 23. Approval Letter No.: 2022.04.18 Approval No. 11101061480

1. The types of shares that have been issued during the most recent year and up to the publication date of the annual report

2022/05/01

Type of Stock	Authorized Share Capital				Note
	Outstanding issued shares	Buy back the Company's shares	Unissued Shares	Total	
Common stock	68,172,648 shares	0 share	131,827,352 shares	200,000,000 shares (Note 2)	(Note 1)

Note 1: The Company listed at over-the-counter market on June 3, 2004.

Note 2: The Company changed the total capital to NT\$2,000,000,000 on 2019.08.05, the price per share was \$10, and the total number of shares was 200,000,000 shares.

2. General declaration system related information: None

(B) Shareholders' structure

Book Closure Date: 2022/05/01; Unit: Shares

Types	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Citizens	Foreign Institutions & Foreign Persons	Total
Number	1	0	192	10,623	21	10,837
Number of shares owned	3,159,928	0	11,889,008	51,638,344	1,485,368	68,172,648
Shareholding ratio	4.64%	0.00%	17.43%	75.75	2.18%	100.00

(C) The ownership distribution

1. Common shares

Book Closure Date: 2022/05/01; NT\$10 per share

Shareholding classification	Number of shareholders	Number of shares owned	Shareholding ratio %
1 to 999	7,529	69.47	184,525
1,000 to 5,000	2,337	21.57	4,793,277
5,001 to 10,000	400	3.69	3,192,098
10,001 to 15,000	144	1.33	1,891,170
15,001 to 20,000	88	0.81	1,623,892
20,001 to 30,000	93	0.86	2,385,114
30,001 to 40,000	51	0.47	1,832,552
40,001 to 50,000	42	0.39	1,947,048
50,001 to 100,000	73	0.67	5,394,605
100,001 to 200,000	43	0.40	5,971,569
200,001 to 400,000	13	0.12	3,767,615
400,001 to 600,000	8	0.07	3,770,025
600,001 to 800,000	3	0.03	2,006,961
800,001 to 1,000,000	1	0.01	924,972
1,000,001 and more	12	0.11	28,487,225
Total	10,837	100.00	68,172,648

2. Preferred shares: The Company did not issue preferred shares.

(D) List of major shareholders

Book Closure Date: 2022/05/01; Unit: Shares

Name of Major Shareholders	Shares	Total shares owned	Shareholding ratio %
Wu, Cheng-lung		7,570,319	11.10
JUN INVESTMENT INTERNATIONAL CO., LTD.		3,601,516	5.28
National Development Fund, Executive Yuan		3,159,928	4.64
Beidebixiu Investment Co., Ltd.		3,141,924	4.61
Huan Cheng Shi Yu Investment Co., Ltd.		2,499,000	3.67
Huang, Ming-yu		1,316,000	1.93
Shih, Chin-sheng		1,310,298	1.92
Wu, Chun-yi		1,300,000	1.91
Wu, Yi-chi		1,300,000	1.91
Ou, Ssu-chia		1,128,000	1.65

(E) The market price, net worth, surplus, and dividends per share in the most recent two years

Unit: New Taiwan Dollar

Items		Year	2020	2021	Year as of May 31, 2022 (Note 8)
Market price per share (Note 1)	Highest		66.4	69.1	64.2
	Lowest		32.55	38.5	46.8
	Average		53.2	53.52	55.78
Net worth per share (Note 2)	Before distribution		15.77	18.9	
	After distribution		15.77	18.9	
	Weighted average shares		58,016,045 shares	68,016,045 shares	68,172,648 shares
	Earnings per share (Note 3)		(1.42)	(0.4)	0.25
Dividends per share	Cash dividend		0	0	-
	Stock dividend	From retained earnings	0	0	-
		From capital reserve	0	0	-
	Accumulated undistributed dividend (Note 4)		0	0	-
Return on Investment	Price / Earnings ratio (Note 5)		(37.465)	(133.8)	-
	Price / Dividend ratio (Note 6)		(Note 9)	(Note 10)	Not assigned
	Cash Dividend yield (Note 7)		(Note 9)	(Note 10)	Not assigned

If there is surplus or capital reserve transferred to the capital increase and share allotment, the market price and cash dividend information retroactively adjusted according to the issued shares shall be disclosed.

Note 1: List the highest and lowest market prices for common stock for each year and calculate the average market price for each year based on the transaction value and trading volume for each year.

Note 2: Please specify the number of shares that have already been issued at the end of the year and the allocation based on the resolutions of the Board of Directors or the shareholders meeting of the next year.

Note 3: If there are retrospective adjustments due to circumstances such as share dividend, the earnings per share before and after adjustment should be presented.

Note 4: If it is stipulated that the undistributed dividends of the equity securities accumulated in the current year will be accumulated to the issuers of the surplus year, the accumulated unpaid dividends for the current year shall be disclosed separately.

Note 5: Price/Earnings ratio = Average closing price per share of the period/ Earnings per share.

Note 6: Price/Dividend ratio = Average closing price per share of the period / Cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share / average closing price per share of that year.

Note 8: The net worth per share and earnings per share shall include the information audited by the accountants in the most recent quarter as of the printing date of the annual report; the remaining columns shall include the data for the year ending on the date of publication of the annual report.

Note 9: The Board of Directors approved a resolution on March 26, 2021, which did not distribute dividends for the year 2020 and it was ratified by the general shareholders' meeting on July 20, 2021.

Note 10: The Board of Directors approved a resolution on March 25, 2022, which did not distribute dividends for the year 2021. It is intended to be ratified by the general shareholders' meeting on June 29, 2022.

(F) The Company dividend policy and implementation

1. Article 18 of the Articles of Association of the Company stipulates the dividend policy as follows:

Article 18: If there is a profit in the Company's annual final accounts, staff remuneration should be set at 1% to 5%, but when the Company still has accumulated losses, it should reserve the amount of compensation in advance.

Employees of the invested subsidiaries of the Company (or employees of the subordinate subsidiaries meeting certain conditions), shall subject to the above distribution of remuneration to employees, the conditions and methods are determined by the Board of Directors.

Article 18-1: If there is a profit in the Company's annual final accounts, taxes should be the first made up for the past losses, next making up 10 percent for the statutory surplus public reserve. The remaining balances, together with the undistributed earnings of prior years, will be reserved or distributed would be resolved by the shareholders' meeting proposed by the Board of Directors; for the dividend distribution to the shareholders, the proportion of cash dividend shall not be less than 30%, and the rest is distributed in the form of share dividend. When the Company distributes surplus, except for statutory surplus reserve according to law, should be in accordance with the first paragraph of Article 41 of the Securities and Exchange Act, in the current year, the amount of debts deducted from the shareholders' equity occurred (If the long-term equity investment has not realized the loss of the impairment loss, the cumulative conversion adjustment and so on) no special surplus reserve from the same amount as the previous year's after-tax surplus for the purpose of distribution of earnings shall not be distributed. When the amount of the shareholder's equity deduction is reversed, should be another surplus on the revolving part.

2. The situation of the proposed dividend distribution for the current year:

The Company's 2021 deficit appropriation proposal was approved on March 25, 2022 by the Board of Directors that no dividend will be distributed this year; the case shall be proposed to the general shareholders' meeting on the June 29, 2022 for approval.

3. Expected significant change in dividend policy:

The Company expects no major changes to the dividend policy.

(G) The effect of the proposed share dividend on the Company's business performance and earnings per share:

Not applicable (The Company does not distribute surplus in 2021)

(H) Employees' bonuses and remuneration of directors and supervisors:

1. Description regarding employees' bonus and Directors' remuneration in the Articles of Association:

According to Article 15 of the Articles of Association, the remuneration of directors is determined by the Board of Directors according to the normal level of the same industry.

According to Article 18 of the Articles of Association of the Company, if there is a

profit in the final annual accounts of the Company, the employee's bonus ratio shall be set between 1% and 5%. However, if the Company still has accumulated losses, the amount of profit should be retained in advance. The employees of the subsidiaries of the Company (or employees of subordinate subsidiaries that meet certain conditions) may be subject to the distribution of the above-mentioned employees' bonus, and the conditions and methods shall be determined by the Board of Directors. The directors of the Company only receive the Board attendance fee at the moment and there is no remuneration distributed for directors.

2. The discrepancy, if there is any, between the total amount of estimated employees' bonus, directors and supervisors' remuneration, share dividends and total amount actually being paid would be treated as the changes at the accounting estimate.

The Board of Director of the Company has been approved on March 25, 2022, and no remuneration and bonus will be distributed for the current year.

3. The Board of Directors has approved the distribution of remuneration: there is no distribution of employees' bonus and directors' remuneration in the current year, the directors of the Company only receive the Board attendance fee at the moment and therefore it is not applicable.

- (1) Bonus of the employees and remuneration of the directors are distributed in cash or shares. If there is a discrepancy between the estimated annual amount and the recognized cost, the difference, cause and treatment should be disclosed: Not applicable.

- (2) Proposed employees' bonus in shares as percentage of net income and total employees' bonus: Not applicable.

4. Actual bonus and remuneration distributions of employees, directors and supervisors in the previous year:

There were no employee bonus and remunerations of directors and supervisors in the previous year.

(I) Share buyback by the Company: None

1. In accordance with Article 28-2 of the Securities Exchange Act and the provisions of the Measures for the listed companies to buyback shares of the Company.
2. The transfer of shares to the employees intends to buyback shares of the Company from the centralized market of securities, and the relevant matters for the purchase of shares are as follows:

Book Closure Date: 2022/05/01; Unit: NT\$, Shares

Items	Times	The first time	The second time	The third time
The Board of Directors resolution date		2004/08/10	2005/05/10	2007/11/07
Share buyback purpose		Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees

Share buyback type and quantity	Common stock / 746,000 shares	Common stock / 750,000 shares	Common stock/1,321,000 shares
Share buyback period	2004/08/13 ~ 2004/10/12	2005/05/12 ~ 2005/07/11	2007/11/09 ~ 2008/01/08
Buyback price interval	\$23.40 ~ \$28.00	\$14.80 ~ \$16.85	\$12.00 ~ \$20.00
Total amount of buyback	\$19,591,398	\$11,751,666	\$18,819,324
Number of shares sold and transferred	746,000 shares (Note 2)	750,000 shares (Note 1)	1,321,000 shares (Note 3)
Cumulative holdings of shares of the Company	0 share	0 share	0 share
Cumulative holdings of the Company's shares as a percentage of the total issued shares	0.00%	0.00%	0.00%

Note 1: The tax was paid and the shares are transferred to employees on March 29, 2006.

Note 2: The tax was paid and the shares are transferred to employees on February 6, 2007.

Note 3: The cancellation of capital reduction registration was completed on April 18, 2011. The base date for the reduction was on March 31, 2011.

B. Corporate bonds management:

Corporate Bonds

Corporate Bond Type (Note 2)	The first secured convertible bond (Note 5)	The second secured convertible bond (Note 5)	The third secured convertible bond (Note 5)
Issue date	October 2, 2006	July 24, 2014	January 9, 2019
Face value	NT\$120,000,000	NT\$150,000,000	NT\$150,000,000
Issuance and listing (Note 3)	-	-	-
Offering rate	Par	Par	NT\$101 (Issued at a premium)
Total amount	NT\$120,000,000	NT\$150,000,000	NT\$151,500,000
Coupon rate	0%	0%	0%
Maturity	5-year/expiry date: October 1, 2011	3-year/expiry date: July 24, 2017	3-year/expiry date: January 9, 2022
Guarantor	Taiwan Cooperative Bank	Yuanta Commercial Bank	Taiwan Business Bank
Trustee	Taiwan Cooperative Bank	Trust Department of JihSun International Bank, Ltd.	Trust Department, Land Bank of Taiwan
Underwriter	MasterLink Securities Corporation	Concord Securities Co., Ltd.	Waterland Securities Co., Ltd.
Legal counsel	Huang, Tai Yuan Lawyer	Zhuang, Zhen Nong Lawyer	Qiu, Ya Wen Lawyer
CPA	PricewaterhouseCoopers Taiwan	PricewaterhouseCoopers Taiwan	PricewaterhouseCoopers Taiwan
Repayment	Case repayment in lump sum at the time of maturity	The principal will be paid once in cash at par value at time of maturity.	The principal will be paid once in cash at par value at time of maturity.
Outstanding amount	NT\$0 (Repaid in full in October 2011)	NT\$0 (It is fully converted before maturity)	NT\$0 (Repaid in full at January, 24 2022)
Redemption or early repayment clause	(A) The closing price of the convertible corporate bonds from the day following the issuance of one month to the end of the issuance period of 40 days, if the closing price of the common stock of the company at the counter buying	(A) The date of the issuance of the conversion corporate bond is one month after the expiration of the issue period, and the forty days before the maturity of the issue period (maturity date), if the closing price of the company's common stock at the	(A) The conversion of corporate bonds shall begin on the day following the expiration of three months from the date of issue (April 10, 2019) to 40 days before the expiration of the issue period (November 30, 2021), if the closing price of the ordinary shares of

Corporate Bond Type (Note 2)	The first secured convertible bond (Note 5)	The second secured convertible bond (Note 5)	The third secured convertible bond (Note 5)
	<p>center lasts for 30 consecutive business days, when the conversion price exceeds 50 percent (inclusive) or more, the Company may send a “Bond Redemption Notice” to the bondholders by registered mail within the next 30 business days. (The aforementioned period starts from the date of dispatch of the company, and the expiry date of the period is used as the base date for bond redemption, and the aforementioned period shall not be the bondholder and the counter is requested to announce the purchase price of the counter at the time of the expiry of the period, and calculate the redemption price according to the period mentioned in (c) and the bond redemption yield (from the date of the bond issuance date to the base day for bond redemption), and withdraw all the bonds in cash.</p> <p>(B) From the day following the issuance of the convertible corporate bonds to the end of the issue period up to 40 days before the expiry of the issuance period, if</p>	<p>counter trading center exceeds 30% (inclusive) of the closing price for 30 consecutive business days, the Company may, within 30 business days thereafter, send a “Bond Redemption Notice” to the bondholders by registered mail, and please call the cabinet to buy the center announcement. (According to the register on the list of creditors on the five business days prior to the dispatch, the investors who subsequently obtained the conversion of corporate bonds due to trading or other reasons shall be notified by way of announcement).</p> <p>(B) The date of the issuance of the conversion corporate bond is one month after the expiration of the issue period, and the forty days before the maturity of the issue period (maturity date), when the total amount of bonds not converted in the conversion of corporate bonds is less than 10% of the total amount of the issue, the total amount of the bonds that have not been converted by the conversion of the corporate bonds will be less than 10% of the total amount of the issue, at any</p>	<p>the Company in the securities firm’s business premises exceeds 30% of the current trading day, the conversion price is more than 30% (inclusive), the Company will send a 30-day “Bond Redemption Notice” to the bondholders by registered mail within 30 business days thereafter. (The aforesaid period starts from the date of the Company’s letter of issuance, and the expiration date of the period is the base date for the bond redemption, and the foregoing period shall not be the period of the suspension of the conversion of Article 9 of the present Measures).</p> <p>And (According to the register on the fifth business day bond holder’s register before the date of the “Bond Redemption Notice”, the investor who subsequently obtained the conversion of the corporate bond due to trading or other reasons shall be notified by way of announcement).</p> <p>And the letter to the counter trading center to announce the exercise of the redemption right of the Company, and within five business days after the benchmark date of the bond</p>

Corporate Bond Type (Note 2)	The first secured convertible bond (Note 5)	The second secured convertible bond (Note 5)	The third secured convertible bond (Note 5)
	<p>the outstanding balance of the convertible corporate bonds is less than 10% of the total amount of the original issuance, the Company may obtain any subsequent time, declaring a “Bond Redemption Notice” by registered creditors (the period mentioned above is calculated from the date of dispatch of the Company, and the expiry date of the period is used as the bond redemption base date, and the aforementioned period must not be the period for the conversion of Article 9) for bondholders, in addition, the counter is requested to inform the center of the purchase center and upon expiration of the period, calculate the redemption price according to the period mentioned in (3) and the bond redemption yield (from the date of the bond issuance to the base day for bond redemption), withdraw all the bonds in cash.</p> <p>(C) Redemption yields are as follows: 1. From the day following the issuance of one month to the date of the issuance of the full four-</p>	<p>time thereafter, the Company may send a “Bond Redemption Notice” to the bondholders by registered mail, and the letter will be announced by the Counter Buying Center. (According to the register on the list of creditors on the five business days prior to the dispatch, the investors who subsequently obtained the conversion of corporate bonds due to trading or other reasons shall be notified by way of announcement).</p> <p>(C) The Company will use the 30th day from the date of the issuance of the “Bond Redemption Notice” (inclusive) as the base date for bond redemption (the foregoing period shall not be the ninth period of suspension of the conversion period). Whether or not the bondholders replied in writing to the Company’s stock agency for cash redemption before the bond redemption base date (effective at the time of delivery, the postmarker is based on postmark date), and the Company redeems the bond holder’s convertible corporate bonds in cash on the five business days after the benchmark date of bond redemption.</p>	<p>redemption, all the converted corporate bonds that are in circulation are redeemed in cash in denominations of the bonds.</p> <p>(B) The conversion of corporate bonds shall begin on the day following the expiration of three months from the date of issue (April 10, 2019) to 40 days before the expiration of the issue period (November 30, 2021), at the time when the balance of the Company’s debt is less than 10% of the total amount of the original issue, the Company may, at any time thereafter, send a 30-day “Bond Redemption Notice” to the bondholders by registered post. (The aforesaid period starts from the date of the Company’s letter of issuance, and the expiration date of the period is the base date for the bond redemption, and the foregoing period shall not be the period of the suspension of the conversion of Article 9 of the present Measures). And (According to the register on the fifth business day bond holder’s register before the date of the “Bond Redemption Notice”, the investor who</p>

Corporate Bond Type (Note 2)	The first secured convertible bond (Note 5)	The second secured convertible bond (Note 5)	The third secured convertible bond (Note 5)
	<p>year period, the bond will be redeemed at a yield of 1.5% per year.</p> <p>2. From the day following the issuance of four years to the end of the 40th day prior to the expiration of the convertible corporate bonds, the convertible corporate bonds are redeemed at the bond's denomination.</p> <p>(D) If bondholders do not receive a written reply to the stock agent of the company (which will be effective at the time of delivery, using the postal date of mailing), it will be received by the holder of the bond on the "Redemption of Bonds". The company may convert its convertible corporate bonds into new shares issued by the company at the conversion price at that time, using the expiry date of the notice period as the conversion base date.</p>		<p>subsequently obtained the conversion of the corporate bond due to trading or other reasons shall be notified by way of announcement).</p> <p>And the letter to the counter trading center to announce the exercise of the redemption right of the Company, and within five business days after the benchmark date of the bond redemption, all the converted corporate bonds that are in circulation are redeemed in cash in denominations of the bonds.</p> <p>(C) If the creditor does not reply in writing to the Company's stock agency before the benchmark date of the bond redemption as stated in the "Bond Redemption Notice" (effective at the time of delivery, the postmarker shall post the postmark date), the Company shall redeem the Converted Corporate Bonds held by it in cash on the maturity date.</p>
Covenant applicable(Note 4)	None	None	None
Credit rating	None	None	None

Corporate Bond Type (Note 2)		The first secured convertible bond (Note 5)	The second secured convertible bond (Note 5)	The third secured convertible bond (Note 5)
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	NT\$0 (Repaid in full in October 2011)	None	None
	Conversion rights	Details of the Company's First Secured Convertible Corporate Bonds Issuance Procedures.	Details of the Company's Second Secured Convertible Corporate Bonds Issuance Procedures.	Details of the Company's Third Secured Convertible Corporate Bonds Issuance Procedures
Dilution and other effects on existing shareholders		There is no significant dilution of equity, and if the number of shares after full conversion only accounts for 7.29% of the total number of shares, the dilution effect on equity is limited.	The total issue amount is NT\$150 million, which is calculated based on the current conversion price of \$37.35. If all shares are converted, approximately 2,677 Thousand shares will be added, accounting for approximately 6.69% of the shares at the time.	For the total amount of NT\$151.5 million, based on the current conversion price of \$ 63.3, if the total conversion, the number of ordinary shares will increase by 2,369,000 shares, accounting for 4.08% of the current shares. The convertible price of this convertible corporate bond shall be adjusted according to the Third Secured Convertible Corporate Bonds Issuance Procedures of the MetaTech and therefor the convertible price was changed from NT\$63.3 to NT\$62.7 at September, 27, 2021. The total converted common stock is amounted to 60,603 Thousand shares, only accounts for 0.09% of the total number of shares, the dilution effect on equity is limited.
Custodian		None	None	None

- Note 1: The case of corporate bond processing includes public and private corporate bonds. The public corporate bonds in process are the ones that have already come into effect (approved); the private corporate bonds in the process are those that have been approved by the Board of Directors.
- Note 2: The number of columns depends on the actual number of bonds.
- Note 3: Fill in only when it is a overseas corporate bond.
- Note 4: Such as restrictions on the distribution of cash dividends, foreign investment or the requirement to maintain a certain proportion of assets, etc.
- Note 5: Private type should be marked in a prominent manner.
- Note 6: In the case of convertible corporate bonds, exchangeable corporate bonds, issuance of corporate bonds, or corporate bonds with warrants, the disclosure information of corporate bond, convertible corporate bond, the exchangeable corporate bond, and the issuance of corporate bonds shall be disclosed in accordance with the nature of the statement and attachment of equity corporate bond information.

Convertible corporate bonds information

Corporate Bond Type		The first domestic secured convertible bond in 2006			The second domestic secured convertible bond in 2014			The third domestic secured convertible bond in 2018		
Items	Year	2010	2011	As of April 30, 2012	2016	2017	As of April 30, 2018	2021	As of January 9, 2022	
Convertible corporate bonds market price	Highest	120.0	113.1	Not applicable (Note 1)	118.00	151.00	Not applicable (Note 2)	118	101	
	Lowest	104.6	113.1	Not applicable (Note 1)	103.00	111.65	Not applicable (Note 2)	100.1	99.15	
	Average	112.3	113.1	Not applicable (Note 1)	110.75	126.41	Not applicable (Note 2)	105.72	100.31	
Conversion price		11.6		Not applicable (Note 1)	37.35		Not applicable (Note 2)	63.3/62.7 (Note 3)	62.7 (Note 3)	
Issue (Processing) Date and Conversion Date		17.1		Not applicable (Note 1)	2014/7/24	39.76	Not applicable (Note 2)	2019/1/9 63.3 (Note 3)		
Perform the conversion obligation		Please refer to the “issuance and conversion measures” of the corporate bond management in the above table.			Not applicable (Note 1)	Please refer to the “issuance and conversion measures” of the corporate bond management in the above table.		Not applicable (Note 2)	Please refer to the “issuance and conversion measures” of the corporate bond management in the above table. (Note 3)	Please refer to the “issuance and conversion measures” of the corporate bond management in the above table. (Note 4)

Note 1: The first domestic secured convertible corporate bonds of the Company in 2006 were expired on October 1, 2011 and the sale of the bond at over-the-counter market was terminated on October 3, 2011.

Note 2: The second domestic secured convertible corporate bonds of the Company in 2014 were expired on July 24, 2017 and the sale of the bond at over-the-counter market was terminated on July 25, 2017.

Note 3: The third domestic secured convertible corporate bonds of the Company in 2018 were started since September 27, 2021 and the conversion price is adjusted from NT\$63.3 to NT\$62.7.

Note 4: The third domestic secured convertible corporate bonds of the Company in 2018 were expired on January 9, 2022 and it was available for conversion since April 10, 2019 and it was fully paid by January 24, 2022.

C. Preferred stocks management: None.

D. Overseas depositary receipts management: None.

E. Employee stock option certificates management:

May 31, 2022 Thousand shares/ Thousand NT\$

Type of employee stock option certificate	The first (term) Employee stock option certificate	The second (term) Employee stock option certificate	The third (term) Employee stock option certificate
Effective date of declaration	2018.1.8	2018.1.8	2018.1.8
Issue (handle) Date	2018.4.2	2018.5.14	2018.11.15
Number of issuing units	2,280	1,297	423
Number of subscribed shares issued as a percentage of total issued shares	3.93%	2.24%	0.73%
Subscription duration	2018.4.2~2024.4.1	2018.5.14~2024.5.13	2018.11.15~2024.11.14
Ways of performance	Issuance of new shares	Issuance of new shares	Issuance of new shares
Limited subscription period and ratio (%)	First 2 years: 100% The 3rd year: 65% The 4th year: 45% The 5th year: 25% The 6th year: Unlimited	First 2 years: 100% The 3rd year: 65% The 4th year: 45% The 5th year: 25% The 6th year: Unlimited	First 2 years: 100% The 3rd year: 65% The 4th year: 45% The 5th year: 25% The 6th year: Unlimited
Executed Acquisition Stock Quantity	-	40	56
Subscription amount has been executed.	-	2,344	3,052
Number of shares are cancelled	(639)	(495)	(338)
Number of shares not executed	1,641	762	29
Unexecuted subscribers' subscription price per share	57.9	58.6	54.5
The ratio of unexecuted shares to total issued shares (%)	2.41%	1.12%	0.04%
Impact on shareholders' equity	No major impact.	No major impact.	No major impact.

The name, acquisition and subscription status of the top 10 employees who obtained the employee stock option certificates

May 31, 2022

	Title (Note 1)	Name	Number of shares acquired	The number of shares acquired to the total number of issued shares (Note 4)	Executed (Note 2)				Not Executed (Note 2)			
					Number of shares subscribed	Subscription price (Note 5)	Subscription amount	The number of shares subscribed to the total number of issued shares (Note 4)	Number of shares subscribed	Subscription price (Note 6)	Subscription amount	The number of shares subscribed to the total number of issued shares (Note 4)
M a n a g e r	President	Tang, Hung-te	316	0.46%	-	-	-	-	316	\$57.9; \$58.6	-	0.46%
	Assistant Manager	Liu, Heng-yu (Note 7)										
	Assistant Manager	Lin, Wen-chieh (Note 8)										
	Assistant Manager	Wang, Shih-chun										
	Assistant Manager	Chan, Chih-tsung										
	Assistant Manager	Teng, An-chih (Note 9)										
E m p l o y e e s (N o t e 3)	President of China and Hong Kong Operation Office	Chin, Chiang	877	1.29%	-	-	-	-	877	\$57.9; \$58.6;	-	1.29%
	Deputy chairman of China and Hong Kong Operation Office	Meng, Ching-piao										

Manager	Chen, Wen-chin										
Manager	Wen, Yi										
Deputy Manager	Chen, Hsueh										
Sales Manager of Taiwan Operation Office	Hsu, Yu-chiao										
Sale Assistant Manager of China and Hong Kong Operation Office	Chu, Hsiang-hua										
Sales Director of Singapore Operation Office	Huang, Chih-chin										
Sales Engineer	Ou, Pei Hua										
Applied Construction Manager	Lai, Ming-hsin										

Note 1: Including managers and employees (who have been resigned or deceased, should be noted), individual names and titles should be disclosed, but their acquisition and subscription can be disclosed in a summary manner.

Note 2: The number of fields is adjusted according to the actual number of times of issuance.

Note 3: The top ten employees who have acquired warrants refer to employees other than managers.

Note 4: The total number of issued shares refers to the number of shares listed in the registration data of the Ministry of Economic Affairs

Note 5: The executed employee's subscription price shall be disclosed at the time of execution.

Note 6: Unexecuted employee's warrant price shall disclose the adjusted warrant price calculated according to the issuance method.

Note 7: Liu, Heng-yu, the Assistant Manager of Biomedical Operation Office, resigned on 2021.11.15.

Note 8: Lin, Wen-chie, the Assistant Manager of Investor Relationship Department, resigned on 2022.1.7.

Note 9: Teng, An-chih, the Assistant Manager of General Administration Department,

resigned on 2021.7.1.

F. Employee Restricted Stock Options: None.

G. Mergers and acquisitions or transfer of shares of other companies to issue new share:
None.

H. Fund utilization plans and status

(A) 2015 Capital increase in cash:

1. Plan:

(1) Approval date and number of capital increase: Financial Management Certificate of the Executive Yuan Financial Supervision and Administration Commission on March 17, 2016 Letter No. 1050004642 was approved.

2. Implementation:

(1) On May 19, 2016, the Financial Management Committee approved the revocation, and the Financial Management Committee issued the letter No. 1050020158 for approval.

(B) 2017 Capital increase in cash:

1. Plan:

(1) Capital increase approval date and the no. of the official letter: Financial Supervisory Commission approved through the official letter no. 1060036940 issued on Oct 13, 2017.

2. Implementation:

The total amount of funds used by the Company in this plan was 546.548 million New Taiwan dollars, which was mainly for the business development of regenerative medicine. The details included the technology transfer royalties for cooperation with CellSeed, the laboratory construction and maintenance costs, the equipment costs and clinical trials expenses, etc. All of these expenses was in order to apply the cell sheet technology to esophagus and knee cartilage. The actual implementation of the plan set out as follows:

Unit: Thousand NT\$

Project	Implementation		As of the first quarter of 2022	Reasons for advance or backward progress and improvement plans
CellSeed Premium	Expenses	Forecast	357,600	This plan item was the royalty paying for the contracted cooperation of a cell-sheet regenerative medicine with CellSeed Inc. of Japan. This case is mainly divided into two products, the cell sheets applied for esophagus and knee cartilage. The Company had applied the consultation service provided by the Center of Drug Evaluation, Taiwan (CDE) as planned. Due to the differences in regulations between Taiwan and Japan, the Center of Drug Evaluation, Taiwan (CDE) requested more clinical trial-related documents for review. However, such documents needed to be provided by CellSeed, so it took additional time to prepare the documents. In addition, this kind of documents required a lot of time for translation, and the translation should be corrected by CellSeed. As a result, the completion time of the item was slightly behind the expected progress. The final payment of royalties should be paid after the products are launched. There was no major issue found here.
		Actual	345,273	
	Progress (%)	Forecast	100%	
		Actual	96.55%	
Laboratory construction	Expenses	Forecast	35,000	The Company was expected to use 35million NT dollars to pay for the laboratory construction in our fund-raising plan. Until the first quarter of 2022, the actual capital expenditure of the Company is 44.88 million NT dollars, and the actual cumulative capital execution progress is 128.22%. Now the lab had constructed and confirmed as completion. The actual payment progress exceeded the original estimation because originally, it's planned to build a cell sheet processing center at current site (Far East World
		Actual	44,880	
	Progress (%)	Forecast	100.00%	

Project	Implementation		As of the first quarter of 2022	Reasons for advance or backward progress and improvement plans
		Actual	128.22%	Center) of the Company. However, after the evaluation of future operational growth, it's found the structure of the building which might result into limitation for lab future expansion. The Board of the Directors of the Company approved to rent thee space at the Farglory U-TOWN building on February 5, 2018, and the lab was moved to the new location. After reviewing the relevant contract and the Board of Directors' meeting minutes of the Company, the construction of the laboratory increased by 9.88 million NT dollars. The used area of the new site was about 306 pings, which was an increase of 62 pings (25.41%) compared with the 244 pings used on the original site, and the expenses increased 9.35 million NT dollars. In addition, in order to make the laboratory operation more smoothly, we changed part of the design, so it increased 0.53 million NT dollars. The above-mentioned total of 9.88 million NT dollars was paid by the Company directly. There were no major issues found here.
Equipment purchase	Expenses	Forecast	55,000	The Company was expected to use 55 million NT dollars for the purchase of experimental equipment in our fund-raising plan. Until the first quarter of 2022, the planned cumulative expenditure is 55 million NT dollars. The actual cumulative expenditure is 55.331 million NT dollars, and the actual cumulative implementation progress is 100.6 %. This project needs to wait for the esophagus repair and knee cartilage repair plan
		Actual	55,331	
	Progress (%)	Forecast	100.00%	

Project	Implementation		As of the first quarter of 2022	Reasons for advance or backward progress and improvement plans
		Actual	100.6%	to be launched before it can produce benefits. However, due to the adjustment and review to the establishment of the laboratory and production site, the review period of the competent authority is longer than expected, the benefit is therefore deferred. As of the first quarter of 2022, the knee cartilage repair project has generated revenue, but the esophagus repair project is behind the original estimate due to the review progress of the competent authority. In addition, the COVID-19 and some sporadic instruments are yet to be finalized before purchase, which has affected the experimental progress. According to the current plan, it is expected to apply for new drug inspection and registration after the clinical trial is completed in the first quarter of 2023, so that the Company can obtain a drug certificate and generate benefits for the Biomedical Business Group. There is no major issue found here.
Clinical trial cost	Expenses	Forecast	66,288	Clinical trial costs mainly include CRO (Contract Research Organization) service fee and clinical trial operation costs in hospitals. The cost of CRO service was happened according to the review progress of the authority. In addition, the clinical trial expenses in hospitals would be happened after the approval is obtained. The clinical trial expenses of the Company are planned to be used for esophagus repair and knee cartilage repair, respectively: In the part of the esophagus repair, the Company has submitted an IND application to TFDA, and obtained a TFDA official letter on February 13, 2019 to approve the conduction of the trial. A follow-up letter from TFDA stated that it agreed to conduct this trial at the National Taiwan University School of Medicine Affiliated Hospital, E-DA Medical Consortium E-DA Hospital and E-DA Cancer Treatment Hospital. However, due to the COVID-19 in 2020, the original plan to entrust CellSeed of Japan to assist in the production of lamellae is no longer feasible. After the verification of the lamella production is completed in the cell preparation center of the Company, it is urgent to propose to TFDA to change the manufacturing site, and the change was approved
		Actual	23,609	
	Progress (%)	Forecast	100%	

Project	Implementation		As of the first quarter of 2022	Reasons for advance or backward progress and improvement plans
		Actual	35.61%	<p>by the letter of TFDA. In the future, after the Company's trial report has obtained positive results, the NDA (New Drug application) will be submitted.</p> <p>Regarding to the knee cartilage project, Metatech cooperated with E-Da Hospital to apply to perform the cell sheet therapy according to "Administrative Regulation on Special Medical Instruments and Inspection Techniques". The E-Da Hospital was approved by the Ministry of Health and Welfare, Taiwan with an official letter on December 18, 2019. Metatech's cell preparation center complies with the Good Manufacturing Practices for Human Cell Tissue (GTP), and it has been approved to perform this technique to provide cell sheet products to E-Da Hospital. Revenues began to be generated from May 2020, so the unspent funds of the knee cartilage project of 28.181 million NT dollars were adjusted to enrich working capital to improve Metatech's operating performance. There is no major issue found here.</p> <p>The Company is expected to use 66.288 million NT dollars to pay for clinical trial costs in our fund-raising plan. Until the first quarter of 2022, the planned cumulative expenditure is 66.288 million NT dollars, and the actual cumulative expenditure is 23.609 million NT dollars. The actual cumulative implementation progress 35.61%, the actual payment progress is delaying behind the original estimate, due to the longer-than-expected review by the competent authority. In addition, the global COVID-19 affecting the subject enrollment plan and the continuous evolution of cell therapy regulations. However, the total amount of changes in each project has not yet reached 20% of the raised amount, so there should be no changes in plans.</p>
Laboratory maintenance cost	Expenses	Forecast	32,660	The Company is expected to use 32.66 million NT dollars in laboratory maintenance. Until the first quarter of 2022, the planned cumulative expenditure is 32.66 million NT dollars, and the actual cumulative expenditure is 34.281 million NT dollars. The actual cumulative implementation progress is 104.96%. This part of plan has been
		Actual	34,281	
	Progress (%)	Forecast	100%	

Project	Implementation		As of the first quarter of 2022	Reasons for advance or backward progress and improvement plans
		Actual	104.96%	implemented, and the laboratory has been built and confirmed, so the subsequent payment of laboratory maintenance fees has also been completed. The payment progress is assessed to be reasonable. The lab has started the test manufacturing at the end of 2018. The initial lab maintenance fee should be low. After the Company starts to invest in R&D and production, the lab maintenance cost would gradually increase. There is no major issue found here.
Total	Expenses	Forecast	546,548	Until the first quarter of 2022, the actual expenditures and implementation progress of Metatech's 2017 cash capital increase is 92.10%, which is delaying behind the expected progress. The reasons are the longer-than-expected review progress of the competent authority and the continuous evolution of cell therapy regulations, which led to the implementation of the plan delaying. These reasons are assessed to be reasonable and there is no major issue found here.
		Actual	503,374	
	Progress (%)	Forecast	100%	
		Actual	92.10%	

(C) Supplementary explanation on the implementation of the third secured domestic convertible corporate bond in 2018:

1. Plan:

(1) Approved issuance date and document number: Financial Supervision and Administration Commission of the Executive Yuan December 14, 2018 Jin Guan Zheng Fa Zi No. 1070345294.

2. Implementation:

The total amount of funds for this project is NT\$151.5 Million and all of which are used to enrich working capital. It has been used up in the second quarter of 2019, and is reported on April 9, 2021 at the request of the Over-the-Counter Buying Center. Please read the disclosure in the 2020 Annual Report for detailed supplementary explanation.

(D) 2020 Capital increase in cash:

1. Plan:

(1) Approved issuance date and document number: Financial Supervision and Administration Commission of the Executive Yuan April 14, 2021 Jin Guan Zheng Fa Zi No. 1100335941.

2. Implementation:

The total amount of funds used in this plan is NT\$450 Million which is mainly used in investing LOCUS Cell Co., Ltd., repayment of bank loans, and enrichment of working capital. The actual implementation of the plan is as follows:

2020 Capital increase in cash use status table

Unit: Thousand NT\$

Project	Estimated Completion Date	Total Funds Required	Implementation		As of the fourth quarter of 2021	Reasons for advance or backward progress and improvement plans
Invest in LOCUS Cell Co., Ltd.	Q3, 2021	299,000	Expenses	Forecast	299,000	The Company's domestic cash capital increase in 2020 has been approved by the Financial Regulatory Commission on April 14, 2021, Jin Guan Zheng Fa Zi No. 1100335941 and the full amount was received at September 27, 2021. However, due to the short time period as of the end of the third quarter of 2021, the funds transferred to LOCUS Cell Co., Ltd. have not been used by the end of the third quarter of 2021. This plan was completed on October 1, 2021 to repay the loan for LOCUS Cell Co., Ltd.
				Actual	299,000	
			Progress (%)	Forecast	100%	
				Actual	100%	
Repay Bank Loan	Q3, 2021	100,000	Expenses	Forecast	100,000	The Company's domestic cash capital increase in 2020 has been approved by the Financial Regulatory Commission on April 14, 2021, Jin Guan Zheng Fa Zi No. 1100335941 and the full amount was received at September 27, 2021. And the plan was executed and completed by third quarter of 2021 to strengthen the financial structure of the Company.
				Actual	100,000	
			Progress (%)	Forecast	100%	
				Actual	100%	
Enrich Working Capital	Q3, 2021	51,000	Expenses	Forecast	51,000	The actual raised amount of the Company is 395 Million, which has been fully received on September 27, 2021. However, the total amount of funds required by the first two plans has exceeded the actual raised amount. Therefore, this plan to enrich working capital is supported by the Company's own funds by the end of the fourth quarter of 2021.
				Actual	51,000	
			Progress (%)	Forecast	100%	
				Actual	100%	
Total	Q3, 2021	450,000	Expenses	Forecast	450,000	As of the fourth quarter of 2021, the Company's 2020 cash capital increase has been implemented at 100% of the actual amount spent, and there is no major issue found here.
				Actual	450,000	
			Progress (%)	Forecast	100%	
				Actual	100%	

V. Operational Highlight

1. Business Content

(1) Business Scope

A. The main content of the business

- (1) CC01080 Electronic Components Manufacturing
- (2) F119010 Wholesale of Electronic Materials
- (3) F219010 Retail Sale of Electronic Materials
- (4) I301010 Information Software Services
- (5) I301020 Data Processing Services
- (6) IG01010 Biotechnology Services
- (7) IG02010 Research and Development Service
- (8) F108040 Wholesale of Cosmetics
- (9) F208040 Retail Sale of Cosmetics
- (10) F102040 Wholesale of Nonalcoholic Beverages
- (11) F102170 Wholesale of Food and Groceries
- (12) F203010 Retail Sale of Food, Grocery, and Beverage
- (13) F401010 International Trade
- (14) I199990 Other Consulting Service
- (15) IZ99990 Other Industrial and Commercial Services
- (16) I103060 Management Consulting
- (17) CF01011 Medical Devices Manufacturing
- (18) F108031 Wholesale of Medical Devices
- (19) F208031 Retail Sale of Medical Apparatus
- (20) C802100 Cosmetics Manufacturing
- (21) C802110 Cosmetic Pigment Manufacturing
- (22) JE01010 Rental and Leasing
- (23) F113030 Wholesale of Precision Instruments
- (24) F208050 Retail of Over-the-counter drugs class B
- (25) F213040 Retail Sale of Precision Instruments
- (26) F399040 Retail Sale No Storefront
- (27) F601010 Intellectual Property Rights
- (28) I301030 Electronic Information Supply Services
- (29) IC01010 Medicine Inspection
- (30) F108021 Wholesale of Western Pharmaceutical
- (31) F208021 Retail of Western Pharmaceutical
- (32) C802041 Manufacture of Drugs and Medicines
- (33) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. Business ratio in 2021

Unit: NT\$ thousand; %

Main products	Revenue	Ratio
Biomedical products	200,939	9.99%
Commercial products	55,062	2.74%
Communication products	357,273	17.76%
Connectors	910,470	45.26%
Others	488,073	24.25%
Total	2,011,817	100.00%

C. The company's current commodity (service) items

Main business content

Company's main business items are the wholesale sales of electronic materials and cell therapy technology (including the application of cartilage, skin and immunotherapy), with cell storage (as a source of follow-up product supply). The agent products are mainly consumer products, communication products and connectors.

Product brands of agency: (in alphabetical order)

Electronic Business Group

1	ADDA	9	Gridcomm-PLC	17	Metrodyne	25	Samtec
2	Alliancememory	10	IAT	18	MXIC	26	SINGWAY
3	Analog	11	ICPLUS	19	Neoway Technology	27	SKYLAB
4	AME	12	InterFET	20	Netsol	28	SUNON
5	ASIX	13	Infibi	21	E-otron	29	SU-SCON
6	Cirrus Logic	14	Jensondisplay	22	Walsin	30	Winchester INTERCONNECT
7	E-switch	15	Kdtouch	23	Phoenix Contact	31	YEEBO LCD
8	Everspin	16	Ledengin	24	Pixelworks		

Biomedical Business Group:

1	CellSeed	2	Taiwan Hitachi Asia Pacific Co., Ltd
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D. New products (services) planned to develop

●Electronic Business Group

In 2022, it is expected to look for semiconductor product for agency, mainly for modular IC products, power control and management IC products, and then look for the institutional products for energy storage cabinets and electric vehicle-related market applications.

●Biomedical Business Group

The Company and Japan CellSeed Inc. have signed the regenerative medicine cooperation contract since April 24, 2017. The Company is authorized to introduce "cell laminator culture technology" for the development of autologous cell therapy products, including the Esophageal cell sheet, Chondrocyte cell sheet and other products.

Esophageal cell sheet is used to prevent the esophageal stenosis symptoms on the patients with superficial esophageal cancer after receiving the endoscopic submucosal dissection (ESD) to remove the tumor. Esophageal cell sheet maintains the aperture of the esophageal lumen. Compared with traditional medicine prevention or endoscopic balloon dilation to treat esophageal stenosis, esophageal cell sheet has a good prognosis of esophageal reconstruction.

Chondrocyte cell sheet is used to treat the knee cartilage defects. It induces the autologous cartilage repair and restores the damaged articular cartilage tissue without any potential side effects of traditional joint replacement. It also maintains the integrity of the knee and bones. Compared with traditional medical technology, chondrocyte cell sheet significantly improves the quality of life.

Meanwhile, the Company also represents the intelligent cell culture dishes with temperature-sensitive polymer coating (PIPAAm). Only by changing the temperature ($37^{\circ}\text{C} \rightarrow 20^{\circ}\text{C}$), the cells are completely separated from the petri dish in layers. Using different sizes of cell layers for tissue repair, such as esophageal repair, arthrochondral repair, heart repair, limbal deficiency and other treatments has a great development in the future.

On September 6, 2018, the Ministry of Health and Welfare announced the implementation of the "Regulations Governing the Application and Use of Specific Medical Techniques, Examinations, and Medical Devices" (referred to as the Regulations Governing Specific Medical Techniques), which classifies six cell therapy projects with determinable safety and predictable effectiveness as specific medical technologies for management. Among them, the "Treatment of knee cartilage defects with autologous chondrocyte transplantation" listed above in the Specific Medical Techniques can be used for the indications of "knee cartilage defects". After the medical institution draws up an implementation plan and applies to the Ministry of Health and Welfare for approval, the qualified physician performs the cell therapy, providing patients with one more treatment option at their own budget.

In view of this, the Company transferred its technology from CellSeed Inc. in Japan. The Chondrocyte cell sheet technology was the first to be commissioned by E-Da Hospital to cooperate in the application of Specific Medical Techniques cell therapy technology "Autologous chondrocyte transplantation for the treatment of knee cartilage defects". The case was approved by the Ministry of Health and Welfare on December 18, 2019, and it was the first approved non-cancer cell therapy project in Taiwan. After then, MetaTech has also cooperated with various medical centers and central hospitals in Taiwan to apply for the knee cartilage projects under the Specific Medical Techniques. As of April 30, 2022, the Ministry of Health and Welfare has approved nine medical institutions in accordance with the "Regulations Governing Specific Medical Techniques" and these hospitals commissioned MetaTech Company to produce the cell products for autologous chondrocyte transplantation for knee cartilage defects. These hospitals are E-Da Hospital (approved on 2019/12/18), Kaohsiung Veterans General Hospital (approved on 2020/4/9), Taipei University Hospital (approved on 2020/4/14), Hualien Tzu Chi Hospital (approved on 2020/4/22), Changhua Christian Hospital (approved on 2021/1/25), Shin Kong Wu Ho-Su Memorial Hospital (approved on 2021/5/14), Tri-Service General Hospital (approved on 2021/5/19), Min Sheng General Hospital (approved on May 27, 2021) and Tung's Taichung MetroHarbor Hospital (approved on July 23, 2021). Among them, E-Da Hospital has officially accepted cases since May 2020 and commissioned MetaTech Company to produce the knee cartilage cell laminates. So far, 59 cases have been received for the treatment of knee cartilage defects by using chondrocytes. With the improvement of the acceptance of cell therapy technology, it contributes to the revenue of the biomedical business group.

The first transplantation of chondrocytes to treat knee cartilage defects has conducted for two years. All clients have used the analgesic and anti-inflammatory drugs for a long time, have received the PRP high-concentration platelet plasma or hyaluronic acid injection but all ineffective. However, all cases of cell transplantation have no serious adverse reactions after surgery. In addition, according to the results of long-term follow-up after cell transplantation, the postoperative effect is obvious and the cartilage recovers well. In view of this, in line with the guidelines of the Regulations Governing Specific Medical Techniques with cell therapy preparations, MetaTech Company cooperates with

medical institutions to use the results of the cell therapy technology as real-world data. After analyzing in rigorous and detailed statistic and then obtaining the real-world evidence, MetaTech applies to the authorities for the registration of cell therapy preparations. Once approved, chondrocyte laminates are expected to be a kind of medicines on market. In response to future development, MetaTech Company is also moving towards the allogeneic chondrocyte therapy and plans to build an allogeneic chondrocyte bank in the future.

For the filling and repair of skin defects: wrinkles, pits, scars, and others, the clinical papers show that the treatment of autologous fibroblasts is a safe, low-side-effect and long-lasting cell therapy, which improves and repairs the skin defects of the client. Based on its technology of cell culture, MetaTech Company independently develops the autologous fibroblast technique, and accepts the commission of these Regulations from the medical institutions. In addition, MetaTech applies for the "Regulations Governing Specific Medical Techniques" of the "Autologous fibroblast transplantation treatment of skin defects: filling and repairing wrinkles, depressions and scars", which was approved by the Medical Affairs Department of the Ministry of Health and Welfare. The four hospitals are E-Da Hospital (approved on July 28, 2020), Changhua Christian Hospital (approved on January 15, 2021), Taipei University Hospital (approved on June 10, 2021) and Hualien Tzu Chi Hospital (approved on January 24, 2022). Among them, three hospitals, E-Da, Changhua Christian and Taipei University have now begun to accept cases for cell therapy. In addition, in February 2021, the Ministry of Health and Welfare announced the amendment of the Regulations Governing Specific Medical Techniques. After allowing the clinic that has passed the relevant evaluation or certification by the authority or its entrusted professional authority, the clinic may apply to the Ministry of Health and Welfare for the treatment of cell therapy. The project opening for application includes "Autologous fibroblast treatment of skin defects: filling and repairing wrinkles, pits and scars".

Accordingly, MetaTech Company cooperates and accepts the commission from clinic to apply for cell therapy quality certification, as well as the application for cell therapy technology of Specific Medical Techniques. It is expected that the commission of medical institutions will greatly increase, and the medical needs of clinic will expand the revenue.

Among the six major projects announced in the "Regulations Governing Specific Medical Techniques", the most widely concerned is autoimmune cell therapy, which brings wishes to patients who is less sentive on existing cancer treatments. The "Regulations Governing Specific Medical Techniques" includes six types of autoimmune cell therapies, including NK, DC, CIK, DC-CIK, TIL, gamma-delta T, and so on, whose indicative patients are those have hematological malignancies or have Stage 1 to Stage 3 of solid cancer after receiving the standard treatment, and those have Stage 4 of solid cancer. In view of this, MetaTech Company has invested in the freezing technology and services of peripheral blood mononuclear cell (PBMC), which provides the personalized services to the client. Firstly, the service isolates the PBMC from the client's whole blood for freezing. In the future, depending on the client's needs, the target cells (such as NK or DC) will be isolated and then amplified and cultured, safety tested, and transplanted back into the body to treat the disease. Initially, the Company promoted business of the immune cell storage for revenue in the first stage. After the Company and the medical institution submitted and obtained the approval of the "Regulations Governing Specific Medical Techniques" plan for immune cell therapy, it will be to legally treat patients and charge, making the second stage of revenue. With the growth of entrusted cases of "Regulations Governing Specific Medical

Techniques", the Company foresees the development of the cell therapy market and deploys ahead by OEM in the CDMO model. In addition, the Company has been entrusted to implement the Regulations Governing Specific Medical Techniques in Taiwan by 13 hospitals with the two projects, and the entrusted numbers is expected to increase in the future. The Company's strategy is to build a complete and close service for medical institutions. Combined with the CDMO of cell therapy products and the cell storage business, the market share will increase and attack the cell therapy market. The Company hopes to become a leader of regenerative medicine industry in Taiwan.

(2) Industry Overview

A. The current situation and development of the industry

●Electronic Business Group

Regardless of domestic and foreign markets, the electronics industry has tremendously changed in the past ten years. The trend that similar companies integrate and merge continues, and they are moving towards to specific products and markets. In whole 2021, the giant companies became bigger, the small and medium-sized enterprises hardly survived, and the Sino-US trade war started. The needs of end consumers changes in peridical. It is the task for all electric firms to follow up the market trend. In recent years, developing countries, including China and ASEAN, have taken advantage of their low labor costs and vast land resources. Taiwan's advantages of low-cost and high-efficiency manufacturing in the past have gradually disappeared. In response to this trend and in line with the Global Logistics business model of global manufacturers, Taiwanese manufacturers must establish the production plants in China, Southeast Asia and else, so that component distributors are able to respond to the downstream customers' needs, and MetaTech Company deploys a comprehensive overseas marketing channel to serve customers nearby. Taiwan's electronics industry no longer relies on fast supply and low prices to maintain growth. MetaTech Company has established an operating headquarters in Taiwan to coordinate R&D, business, and allocates the financial resources to establish a global production plant as a common operating model. MetaTech is a distributor of electric component and we also enhances R&D to support participating customers' product design, to establish instant supply in global, and to build the production plant for serve local customers. Solving problems also contributes to the success of MetaTech Company in distribution. In response to the formation of the Belt and Road Initiative of China and the red supply chain, the Company is also looking for cooperation with more excellent products of Chinese manufacturers through our Chinese subsidiaries, aiming at deepening the local customers and selling more competitive products to the countries in East and South Asia.

●Biomedical Business Group

President Tsai Ying Wen vowed in her re-election speech on May 20, 2020 that Taiwan will be on the basis of the 5+2 industry ("Smart machinery", "Asian Silicon Valley", "Green Energy Technology", "Biomedical industry", "National defense industries", "New Agriculture" and Circular Economy") and creates the "six core strategic industries". Among them, "Precision Health Industry of Taiwan" is listed as one of the "six core strategic industries". During the global pandemic, the "National Team" demonstrated the sufficient capabilities to integrate with the advanced technologies in global. The government fully supports the biomedical industries so that Taiwan will become a key player in the global economy.

In the "Precision Health Industry of Taiwan", it is mentioned to "develop the innovative therapies": in response to future needs, developing the big data processing

and analysis technologies such as gene sequencing; focusing on the research of important diseases in Taiwan; developing the new medical technologies such as cell therapy, immunotherapy, and disease diagnosis; and exploring new types of biomarkers and drug treatments to achieve goals of precise diagnosis and precise treatment in personalized medical. The "cell therapy" industry is first time to be included in the national development strategy, indicating that the government's attitude to promote the development of the cell therapy industry.

Taiwan has the experience in developing the top semiconductor technology in global, and it is expected that regenerative medicine will act a key role in Taiwan's industry. Wafer manufacturing is to semiconductor development as cell preparation is to the development of regenerative medicine. Taking the semiconductor industry as reference and the opening up of regulations, Taiwan has the excellent medical technology and high-quality medical services of medical personnel, as well as the flexible R&D capabilities of biomedical personnel; coupled with the development of consistent quality assurance in quality control and manufacturing, high-specification cell preparation sites, digital monitoring systems, industrial automation processes and equipment self-control capabilities. These advantages support the development and innovation of regenerative medical industry in Taiwan. Taiwan is expected to become a key player in the global regenerative medical industry chain in terms of CDMO of cell therapy.

In recent years, Taiwan has actively developed the biotechnology industry with domestic private enterprises, hoping to create another "blue ocean" in Taiwan. The Company has below vision: Taiwan becomes an important city in the Asia-Pacific biomedical R&D industry; the development of the biotechnology industry is promoted; the health of the people is improved; the link between industry and university is accelerated; and the research performance of the academic community was more quickly industrialized. In terms of market expansion and development of new products, not only does the Ministry of Economic Affairs give a more favorable verification price mechanism in health insurance, but also assists the potential manufacturers to layout market channels according to the characteristics of various markets such as Japan and the United States.

In terms of regulations, on September 6, 2018, the "Regulations Governing the Application of Specific Medical Technique and Medical Device" (hereinafter referred to as the "Regulations Governing Specific Medical Techniques") were issued and implemented, so that cell therapy technology can be implemented in accordance with the law and benefited to wide population. MetaTech Company also followed the Specific Medical Techniques to successfully promote the cell lamination technology to medical institutions for patient in domestic. In addition, the "Act for the Development of Biotech and Pharmaceutical Industry" were amended and approved on December 30, 2021, and the draft "Three Laws Related to Regenerative Medicine" announced on January 13, 2022. The management system of the biotechnology and medical industry has changed a lot.

The "Act for the Development of Biotech and Pharmaceutical Industry" were originally the "Act for the Development of Biotech and New Pharmaceutical Industry" issued and implemented in 2017. Through tax incentives and other measures, biotechnology and pharmaceutical industry in Taiwan have moved to the high-value biotechnology and pharmaceutical products. The amendments to this Act amend the scope of incentives and deductions to encourage the cross-disciplinary cooperation in advanced medical development industries, attract the private investment, strengthen the talent retention and recruitment, and increase the R&D and manufacturing energy, thereby expanding the scale of the biotechnology and pharmaceutical industry and cultivating the new technologies.

The three laws of Regenerative Medicine are collectively referred to as the "Act of Regenerative Medicine Development", the "Regulations of Regenerative Medicine Products Preparations", and the "Regulations of Regenerative Medicine Implementation". These three laws set out the overall system of regenerative medicine such as cell therapy, genetic engineering, and tissue engineering. Taking the Act of Regenerative Medicine Development as the parent law, it conducts the legislative management on the product side and the medical side respectively, including the level of national policies, organizational structure and funding. The government leads the promotion of regenerative medicine towards allogeneic, automation and mass-production. It is expected to achieve benefits including a decline in the cost of regenerative medicine, the popularization of mass production for products, and the convergence of new drugs to accelerate medical development.

MetaTech Company has laid out and invested in the development of regenerative medicine, including the existing cell process technology and cell storage services, cell therapy, tissue engineering, equipment consumables, and so on. Benefited from the regulation changes, the development of existing products has the reference and the growth of MetaTech Company increases, towards allogeneic, automation and mass-production. MetaTech Company popularizes the application of regenerative medicine.

B. The relevance of the upper, middle and lower reaches of the industry

● Electronics Business Group

Taiwan's electronics industry is an important R&D and production center in global. The main reasons are not only the fast R&D, fast production, diversified choices, low manufacturing costs, stable supply, flexibility and competitive prices, but also the professional teamwork in up-, middle- and down-stream model and leverage the production power in China. Under the trend of the electronics industry towards a professional teamwork, domestic electronic component distributors have long moved away from acting merely agency and sales, but become an important part of the production and marketing in the semiconductor industry. In addition to establishing sales channels for upstream domestic and foreign suppliers, the distributors also need to have to provide the warehousing services, rapid delivery, technical support, after-sales service and financial support to help downstream manufacturers shorten the time to market and effectively reduce business risks. Therefore, through this effective teamwork in the up-, middle- and down-stream, the operational efficiency of Taiwan's overall electronics industry is improved.

● Biomedical Business Group

The process of regenerative medical services is simply summarized as the collection of tissue samples from the client in hospital, and then transported to the cell preparation site. Carry out the tissue cell separation, cell culture and harvesting, product production, quality control testing and release, and then transport and transplant it into the patient's body in hospital to treat the specific disease.

Related industrial chain includes, in hospital, cell processing and preservation, reagent consumables and facilities and equipment, testing equipment, as well as cryopreservation and transportation logistics of tissue samples and products, insurance industry and other derivative services such as accuracy testing. The breakdown is as follows:

- (1) Take the medical institution as the starting and ending point of the treatment
Medical institutions such as hospitals and clinics are the first line of medical services for clients. The diagnosis of diseases, the selection and the implementation of treatment are all carried out in medical institutions.
- (2) The cell manufacturing is the key to the industrial chain

In order to fulfill the large demand for mass production of cells in regenerative medicine, major international manufacturers have been building or acquiring the cell preparation factories for the mass production of regenerative medicine in the future.

- (3) Strive for better reagent consumables, facilities, equipment, tools and inspection instruments

In order to improve the efficiency and quality of cell manufacturing and reduce the production costs, new consumables and machinery need to be developed, such as automation platforms for cell processes and the development of advanced testing instruments and technologies. In addition, in order to ensure the clearance of the cell preparation site and the safety of regenerative medical products, the investment is required for the management, maintenance and operation of the standard plant facility.

- (4) Drive the peripheral industries (such as logistics, insurance and other services)

Regenerative medical products are living products, so the protection and preservation of product transportation and product stability are more complicated. Companies offering the low-temperature logistics and manufacturers of constant-temperature storage equipment are important in the logistics development. Others include investment from insurance companies, targeting the best treatment options through genetic testing, and cell confirmation analysis services during cell preparation.

- (5) Continuous research and development to promote the advancement of the industry

In order to continuously respond to unmet medical needs as well as to reduce process and treatment costs, the research and innovation of technologies and new drugs must continue, and the value of technologies must be determined through the verification of clinical trials.

C. Market and company development trends of regenerative Medicine

The 21st century is the era of regenerative medicine. In response to the rapid development of regenerative medicine technology and the gradual maturity of various technologies, the global regenerative medicine market is growing rapidly. It is expected that the global regenerative medicine market value will reach US\$3380 billion in 2050.

The Alliance for Regenerative Medicine (ARM), an international organization concerned about the development of global regenerative medicine, pointed out in the published "Regenerative Medicine: Disrupting the Status QUO" report that 2021 is a breakthrough year in regenerative medicine. Clinical achievements include the first proof-of-concept gene editing therapy, CAR-T therapy is expected to become the first-line clinical treatment. Also, the cell therapy and gene therapy are also expected to deal with complex and multi-gene diseases. The breakthrough development has also led the market capital to greatly support the regenerative medical industry. In 2021, the total market capital investment was close to USD 22.7 billion, easily surpassing USD 19.9 billion in 2020. Compared with USD 13.5 billion in 2018, it shows the rapid growth and development.

Cell therapy and gene therapy have huge potentials on the treatment of rare diseases. More than five new gene therapies may be licensed in 2022, and two sickle anemia treatment cases may go on the market as soon as 2023, with one for gene therapy and the other for the first gene editing treatment case. There were six new products in the world in 2021, which was the second-best year in terms of new product registration, but there were three product licenses for CAR-T products, which was the best performance in registration.

Representatives of the European Medicines Agency predict that by 2025, 10-20 cell therapies and gene therapies will be approved each year. Moreover, rapid approval

routes for innovative therapies (such as the US FDA's RMAT and Europe's Priority Medicine (PRIME)) will keep speeding up the development process. The number of biomedical-related clinical trials conducted in 2021 includes 316 clinical trials in gene therapy, 897 clinical trials in cell-based immuno-tumor therapies, and 1,155 clinical trials in cell therapy with 135 projects of Phase III clinical trials. It is obvious that the research and development progress of cell therapy is moving forward, and the future is promising.

No doubtly, as a commercial product that requires the professional knowledge sales channels and strong support from large pharmaceutical and biotechnology companies, regenerative medicine has become an increasingly mature treatment until now. However, promoting the development of regenerative medicine has been facing many challenges along the way. In the future, we focus on difficulties such as cell dose, cell transplantation delivery, and manufacturing control information, and overcome them one by one. With a strong pipeline, as more products enter the market, it is expected that the regenerative medicine industry will continue to learn and gradually mature.

Although Taiwan's medical standards are the top in the world, the progress of regenerative medicine has not yet been same lines with advanced countries.

Therefore, when the Company entered the biotechnology industry, it introduced the more mature "autologous knee cartilage cell laminator" and "oral mucosal epithelial cell laminator" culture technologies developed by CellSeed in Japan. In addition, the Company also focuses on self-development technologies, such as the "autologous fibroblasts". In view of the fact that immune cell-assisted tumor therapy has always accounted for the largest project in the "Regulations Governing Specific Medical Techniques" market, the Company has also invested the relevant resources in developing the immune cells such as PBMC, hoping to enter the cancer immune cell therapy market as soon as possible by establishing a cell bank and applying for the cell therapy plan based on "Regulations Governing Specific Medical Techniques".

The Company's blueprint in biomedical development is as follows :

Since the Ministry of Health and Welfare of Taiwan has imitated the Ministry of Health, Labor and Welfare of Japan to construct and loosen the regulations related to regenerative medicine, it is hoped to ensure the safety and effectiveness of regenerative medical technologies and products, thereby driving to the development of regenerative medicine. As a result, in September 2018, the Ministry of Health and Welfare announced the "Regulations Governing the Application of Specific Medical Technique and Medical Device" ("Regulations Governing Specific Medical Techniques"). The "Regulations Governing Specific Medical Techniques" opened six cell therapy projects, namely autologous CD34+selection peripheral blood stem cell transplantation, autologous immune cell therapy, autologous adipose stem cell transplantation, autologous fibroblast transplantation, autologous bone marrow interstitial stem cell transplantation and autologous chondrocyte transplantation; among them, the Company has applied for autologous fibroblasts and autologous chondrocytes since 2019.

Using "Autologous chondrocyte transplantation for the treatment of knee cartilage defects", the Company cooperates with many medical centers and central hospitals in Taiwan to apply for the cell therapy plan of the "Regulations Governing Specific Medical Techniques". As of April 30, 2022, the Ministry of Health and Welfare has approved nine medical institutions in accordance with the "Regulations Governing Specific Medical Techniques" and commissioned MetaTech Company to produce cell products for the treatment of knee cartilage defects by autologous chondrocyte transplantation, including E-Da Hospital (approved on 2019/12/18) and Kaohsiung

Veterans General Hospital (approved on 2020/4/9), Taipei University Hospital (approved on April 14, 2020), Hualien Tzu Chi Hospital (approved on April 22, 2020), Changhua Christian Hospital (approved on January 25, 2021), Shin Kong Wu Ho-Su Memorial Hospital (approved on May 14, 2021), Tri-Service General Hospital (approved on May 19, 2021), Min Sheng General Hospital (approved on May 27, 2021) and Tung's Taichung MetroHarbor Hospital (approved on July 23, 2021). The implementation of most entrusted units increases the revenue of the Company's biomedical business group.

In addition, MetaTech Company independently developed the autologous fibroblast technology, and used this technology to obtain the commission of medical institutions and apply for the "Regulations Governing Specific Medical Techniques" of the "autologous fibroblast transplantation treatment of skin defects: filling and repairing wrinkles, depressions and scars" project, which was approved by the Medical Affairs Department of the Ministry of Health and Welfare. There are four hospitals: E-Da Hospital (approved on July 28, 2020), Changhua Christian Hospital (approved on January 15, 2021), Taipei University Hospital (approved on June 10, 2021) and Hualien Tzu Chi Hospital (approved on January 24, 2022). The Company will keep cooperating with medical beauty clinics in the future, bringing considerable profits to the biomedical group.

In clinical, common cell products are all injection types of single cells. Currently, there are no cell tissue or cell 3D culture products on Taiwan market. It is obvious that cell laminates have their product innovation, market exclusivity, technical differences and clinical applicability. The Company's "autologous human oral mucosal epithelial cell laminator" transferred from CellSeed in Japan has been approved by the Ministry of Health and Welfare to conduct Phase III clinical trials in Taiwan. It is currently one of the few Phase III clinical trials approved in Taiwan. If the clinical trial goes smoothly, it is optimistically estimated to launch product in the fourth quarter of 2024.

The regenerative medical industry chain includes highlights such as essential research, clinical trials, registration application (or conditional approval), manufacturing, licensing and monitoring. Therefore, it has the characteristics of internationalization and industrialization, so the trend of the regenerative medical industry chain moves to vertical integration and horizontal teamwork are inevitable. In view of this, the Company and the Japanese CellSeed company jointly established Up Cell Co., Ltd. In addition to developing cell laminators with clinical therapeutic potential, it also develops the related regenerative medicine therapies that are applied to nerve repair and regeneration. It aims to enter clinical trials quickly, and breaks through the limitations of regenerative medical preparations and cell therapy regulations. The Company develops the diverse applications of products and technologies, and promotes the application of cell laminators to increase output value.

In order to strengthen the development of regenerative medicine in Taiwan, the Company and Japan's Hitachi Group signed a MOU in April 2020 to establish a joint venture company-Locus Cell Co., Ltd., and plans to build Asia's largest CDMO cell factory in Taiwan's Wenzhubei Biomedical Park to undertake CDMO orders at domestic and abroad. The joint venture will also cooperate with major legal research institutions to develop the emerging technologies and conduct clinical trials.

In the future, the Company will aim at (a) establishing a human cell tissue depository, (b) serving as a cell preparation center of the "Regulations Governing Specific Medical Techniques", and (c) providing multi-cell therapy services; with these goals, the Company also needs to educate customers about products, cultivate

the high-level talents and promote the products. At the same time, it is also necessary to develop multiple channels to strengthen cooperative relations and receive the royalties to increase profits.

4. Various product development trends and competition conditions

Looking to the future, the market is optimistic about opportunities in the following fields, including the Internet of Things, cloud computing, wearable devices, medical electronics, automotive energy batteries, wireless charging technology, cell laminators and genetic testing.

●Electronic Business Group

(1) IoT and Cloud Calculation

The Internet of Things digitizes the real world with broad market and application, which mainly includes: transportation and logistics, healthcare, intelligent environment (home, office, and factory), personal and social fields, and so on. The concept of cloud computing represents the use of the Internet to enable computers to cooperate with each other or to provide services anywhere. Therefore, it will drive the development of computer hardware and software equipment such as servers and storage devices.

(2) Wearable Device

Wearable devices refer to mobile smart devices that are worn directly on people or integrated into the clothes and accessories and record human body data. In addition to the familiar devices such as Google Glass, Bluetooth headsets, watches and calculators, there are also something innovative, such as shiny skirts, pendant cameras that automatically take pictures, keyboard pants, sensor smart clothes, solar rechargeable backpacks, and so on. As wearable technology becomes more important, the use of wireless connection technology to realize the interconnection between devices and smart phones becomes the key to the potential of these devices. For example, with the help of Bluetooth and WiFi technology, consumers obtain data (such as calories burned, heart rate, etc.) from wearable devices and transmit the data to smart phones or the cloud with few power; with the help of WiFi direct connection technology, consumers directly connect two WiFi devices together without the need for access points or computers; combining wearable devices with positioning technology realize some interesting new application functions, such as doctors track patients in a clinical environment, and retailers send the targeted advertisement to consumers.

(3) Medical electronics

It's believed that electronic technology will become more popular in medical applications, and there are more opportunities to benefit human in the future. For example, the products such as electronic surgical equipment, blood glucose sensor monitoring systems, insulin micro-pumps, and the diagnosis of viruses through deoxyribonucleic acid (DNA) analysis are widely used in medical applications.

(4) Wireless charging technology

Wireless charging, also known as inductive charging and non-contact inductive charging, is a device that uses near-field induction, that is, inductive coupling, to transmit energy from a power supply device (charger) to electricity. The device uses the received energy to charge the battery and at the same time for its own operation. Since the energy is transmitted by inductive coupling between the charger and the electrical device, there is no wire connection between the two devices, so the charger and the electrical device are exposed without conductive contacts.

(5) Car energy battery (electronic)

In recent years, the trend of energy-saving and carbon-reducing electric vehicles has been spreading all over the world. The demand for lithium-ion batteries in the electric vehicle market increases significantly. Facing the trend of strong growth in demand for power batteries, battery companies represented by Panasonic of Japan, LG Chemical of South Korea, and BYD of China are fiercely competitive. At the same time, automobile manufacturers represented by Tesla, BMW, Mercedes, and else have also crossed borders in the battery field and actively deployed the market. Therefore, car energy battery is the key product on the market in the next 10 to 20 years.

(6) Energy storage equipment for power grid

In recent years, energy conservation and carbon reduction have become key global issues. Therefore, the world is conducting research and promotion on energy storage technologies and solutions. There are four major themes of solar power, wind energy, hydrogen energy and fuel cells, and smart energy storage, and energy conservation, green energy circular economy and green finance have been added. Therefore, this application is a key product on the market in the next 10 to 30 years.

●Biomedical Business Group

(1) Clinical trials of cell therapy products

The "Autologous oral mucosal epithelial cell laminator" introduced by MetaTech Company from CellSeed Inc in Japan is used to prevent the occurrence of esophageal stenosis after ESD surgery for superficial esophageal cancer. It has been approved by the Ministry of Health and Welfare for Phase III clinical trials. The Company has completed the first case of esophageal laminator transplant operation on February 4, 2021, and continues to recruit clinical trial subjects. This case is one of the few Phase III cell therapy clinical trials initiated and executed in domestic. It is also one of the indicator cases. If the clinical trial goes well, the "Oral mucosal epithelial cell laminator" may be the first regenerative medical product to be developed and launched in Taiwan.

(2) Cell Therapy Plan of "Regulations Governing Specific Medical Techniques"

In the cell therapy plan of the "Regulations Governing Specific Medical Techniques", the Company applied for the treatment of knee cartilage defects with the technology of "knee chondrocyte laminator", and also applied for the treatment of skin defects (filling and repairing wrinkles, pits and scars) with autologous fibroblast transplantation.

As of April 30, 2022, nine hospitals have been approved to implement the "Knee chondrocyte laminator" to treat the knee cartilage defects by the Medical Affairs Department of the Ministry of Health and Welfare measures in line with "Regulations Governing Specific Medical Techniques", including E-Da Hospital (approved on December 18, 2019), Kaohsiung Veterans General Hospital (approved on April 9, 2020), Taipei University Hospital (approved on April 14, 2020), Hualien Tzu Chi Hospital (approved on April 23, 2020), the Changhua Christian Hospital (approved on January 25, 2021), the Shin Kong Wu Ho-Su Memorial Hospital (approved on May 14, 2021), the tri-Service General Hospital (approved on May 19, 2021), Min Sheng General Hospital (approved on May 27, 2021), and Tung's Taichung MetroHarbor Hospital (approved on July 23, 2021). MetaTech accepted these nine hospitals commissions to perform Knee chondrocyte laminator production. Among them, E-Da Hospital has officially received cases since May 2020. So far, 59 cases of chondrocyte treatment for knee cartilage defects have been received, which is the highest record for knee cartilage regeneration medical treatment in the world. The age of client is between 26 and 70. The patients recovered well after the surgery and

return to normal life, achieving amazing results of complete healing. In terms of autologous fibroblast transplantation for the treatment of skin defects (filling and repairing of wrinkles, pits and scars), as of April 30, 2022, there are a total of four hospitals, including E-Da Hospital (approved on July 28, 2020), Changhua Christian Hospital (approved on January 15, 2021), Taipei University Hospital (approved on June 10, 2021) and Hualien Tzu Chi Hospital (approved on January 24, 2022), which have been approved by the Ministry of Health and Welfare regarding "Regulations Governing Specific Medical Techniques". The Company has received 6 cases. In addition, after the Ministry of Health and Welfare allows the clinic to apply for cell therapy technology, MetaTech Company accepted the clinic's commission to apply for cell therapy quality certification and the commission to apply for cell therapy technology of Specific Medical Techniques, which is expected to greatly increase the commission of medical institutions, and expand revenue based on the clinic's medical needs.

(3) Technology and R&D overview

●Electronic Business Group

- (1) R&D expenses invested in the current year as of the date of publication of the annual report: No R&D expenses are generated during the current year. However, based on serving customers, accelerating product launch and increasing the added value of technology, the Company has invested manpower in the three major sales regions, Taiwan, China, and ASEAN, and established the product technical support and product application development departments to meet customer technical needs and help customers shorten the time to market.
- (2) Successfully developed technology or product: The Company is a professional semiconductor component distribution agent, not a general manufacturing industry, so it is not applicable.
- (3) Future research and development direction in coming year: In response to the continuous innovation of cloud products and communication network products, and actively invest resources in wireless communications, broadband networks, automotive electronics markets, smart homes, and smart grid high-value application markets, and find the suitable suppliers to jointly develop the next generation of new technologies.

●Biomedical Business Group

- (1) Autologous oral mucosal epithelial cell laminates (indications are for the prevention of esophageal stenosis after endoscopic submucosal dissection in patients with superficial esophageal cancer):

For the development of this product project, the Company has completed the first case of epithelial cell lamina transplantation on February 4, 2021. In addition, National Taiwan University Hospital performed a second case of esophageal laminator transplant on May 26, 2021. With the participation of E-Da Hospital, E-Da Cancer Hospital and National Taiwan University Hospital in the clinical collection, it was originally expected to complete the collection of 12 patients in the fourth quarter of 2021. Due to the COVID-19, the progress of patient collection in this case is postponed than expected. In order to overcome the difficulty of patient collection, the Company has held the "Taiwan Esophageal Research Alliance: Cross-center Research Conference" at the Han Lai Hotel in Kaohsiung on January 24, 2021. During the meeting, Dr. Wang, Wen-lun of E-Da Hospital (who is also the principal investigator of the clinical trial in this case) convened hospitals related to the treatment of esophageal cancer in Taiwan, including National Taiwan University Hospital, Far Eastern Memorial Hospital, Taipei Medical University Hospital, Tzu Chi Hospital, Taichung Veterans General Hospital, Chung Shan

Medical University Hospital, National Cheng Kung University Hospital, Chimei Hospital, Chang Gung Memorial Hospital in Kaohsiung, Kaohsiung Medical University Hospital, E-Da Hospital with 30 doctors to establish the Taiwan Esophageal Research Alliance. In addition to promoting the research of esophageal cancer in Taiwan, a more important task is to invite doctors who join the alliance to introduce suitable patients to three esophageal cell laminator clinical trial execution hospitals, such as National Taiwan University Hospital, E-Da University Hospital or E-Da Cancer Treatment Hospital to assist the Company conduct the case smoothly.

- (2) Knee chondrocyte laminator (indication is knee cartilage defect):
 - A. This project was commissioned by a medical institution to produce chondrocyte laminates for the repair of knee cartilage defects. The first transplantation has been finished for nearly two years. All the clients do not have serious adverse reactions and have recovered well. MetaTech Company follows the guidelines of the cell therapy technology of the Specific Medical Techniques to connect cell therapy preparations, and uses the results of the cell therapy technology of the Regulations as real-world evidence to apply to the authorities for the registration of cell therapy preparations.
 - B. Allogeneic chondrocyte laminator process and preclinical/clinical trials: In order to effectively use chondrocyte laminator technology, it is proposed to develop allogeneic chondrocyte laminator technology. In addition to establishing a stable and good cell-derived tissue bank, the Company plans to implement the preclinical animal trials and human clinical trials to develop the application of allogeneic chondrocyte laminators.
- (3) High-performance aggregated fibroblasts (indications are skin defects: filling and repairing of wrinkles, pits and scars): The Company develops and owns this technology. It has successively obtained Taiwan invention patent approval "A manufacturing method of micro-cell laminates" and "3D structural cell spheres with high proliferative activity, their manufacturing methods and uses" (certificate number: I693283 and I724528), and keep optimizing the production process in the future to decrease the production costs.
- (4) Peripheral blood mononuclear globular cells: After cooperating with Taipei University Hospital to apply for IRB to obtain donor blood, and then carry out the immune cell isolation and proliferation culture. Meanwhile, a cell process that complies with regulations will be established as a future immune cell storage service.
- (5) Dendritic cells (DC): This item is also an immune cell in the blood. DC cells are antigen-expressing cells. After activation, they interact with T cells and B cells to trigger an immune response. This item is used for technical reserves and Regulations Governing Specific Medical Techniques applications after the establishment of a legal cell process.
- (6) Research and development personnel and their academic experience

Unit: People ; %

Item/ Year	2018	2019	2020	2021	Until Apr 30, 2022
Number of people at the beginning of the period	18	24	34	39	34
New comer in this period	16	15	17	10	5

Number of people change	6	1	1	1	1	
Number of resignations	4	4	12	14	3	
Dispatching and retirees	-	-	1	-	-	
Number of people at the end of the period	24	34	39	34	37	
Average seniority (years)	1.22	1.50	1.77	2.20	2.37	
Turn over rate (%)	14.29%	10.53%	23.53%	32.65%	7.50%	
Degree	PhD	5	5	5	3	3
	MS	15	23	27	21	24
	BS	4	6	7	9	10
	High school	-	-	-	-	-

Note: Turnover rate = number of employees/ (Number of employees at the end of the period + number of employees)

(4) Long-term and short-term business development plans :

●Electronic Business Group

(i). Short-term plan

A. Marketing strategy

a. Strengthen the complementarity and diversification of product lines

Actively improve the complementarity and performance of product lines, and expand the diversification of product lines.

b. Expand the customer base and strengthen the customer relationships

Actively expand the valuable customers, and serve large EMS factory customers with more than ten years of sales and customer service teams to form long-term cooperative relationships with excellent customers to maintain stable business growth.

c. Enhance the technical support

Train the outstanding technical personnel to help customers shorten the time-to-market of products and enhance the technical support, thereby improving the quality of customer service.

d. Enhance the core competitiveness

Absorb international professional and technical capabilities to further enhance core competitiveness in order to strive for more business development space.

B. Operational development

a. Actively strive for the agency and distribution rights of existing product lines throughout the Asia-Pacific region

Based on the current business results and experience in Taiwan, China/Hong Kong or Singapore, the Company has actively sought for distribution rights authorized from suppliers throughout the Asia-Pacific region and strengthened the sales network. The Company also strives to cooperate with the world's top 50 electronic foundries.

b. Set up an application design center in China in Shenzhen

Based on Taiwan's application design and technical support talents, the Company leverages high-level and low-cost technical talents in China to provide customers with complete application product solutions, and reuse the sales network in the Asia-Pacific region to enhance the core competitiveness.

C. Increase the new product lines and improve product integrity in the region
Mainly looking for products in new application markets (mainly from Chinese and Taiwanese manufacturers) and can be mainly sold in Taiwan, China/Hong Kong or Singapore, strengthen and enhance the product diversification for customers to choose from.

(ii). Long-term plan

A. Marketing strategy

a. Keep introducing the products from major international manufacturers to enhance the complementarity and competitive advantage of product lines

Based on existing product lines, marketing locations and a wide customer base, the Company actively introduces new product lines and obtain long-term strategic alliances with major suppliers in order to accurately catch-up market information and new product trends.

b. Formulate a regional differentiated business strategy based on the advantages of regionalization

Taiwan will gradually be backed by high-end, advanced application product design and technical support, and provide Taiwanese businessmen with faster and more reliable technical support and logistics services.

In addition to focusing on the existing communications market and the cloud storage device market, China is actively developing the robot arm and automotive electronics application market, and using Taiwan's experience to cultivate small and medium-sized potential customer groups, in the high-end, middle-end industrial and high-value-added PC peripheral application products as the development direction. In addition to the current stable international contract OEM market in Southeast Asia, the Company strives to develop high-end home digital product, and actively explores the emerging markets such as Vietnam and India.

c. Pay attention to the cooperation between products in new fields and the factory, and actively layout related application fields, and enhance the application of new fields.

B. Operational development

In the future, the Company will keep its dedication to the development of professional electronic components and adapt to the industry's trend, and will actively develop towards the goal of internationalization.

●Biomedical Business Group

(i) Short term plan

A. Marketing strategy

a. Provide a variety of cell storage solutions. Understand the customer needs, encourage customers to store target cells as soon as possible when they are healthy, and educate customers about the indications and scope of their stored cells that are used for treatment in the future. In this way, the Company will obtain the first stage of revenue from the cell storage business.

b. Gradually build a medical alliance. Cooperate with doctors in various fields to build a medical alliance. In addition to promoting MetaTech's existing cell therapy products, MetaTech also uses the network and cooperation between doctors in the alliance to transfer the patients and focus on treatment service, so that users are truly recruited and resources are concentrated in the implementation of medical institutions.

c. Actively organize or participate in regenerative medicine seminars and forums to enhance interactions between industry, government, academia, research, and the medical profession, so as to promote research and development or existing product technical achievements to actually meet the needs of clinical application, and truly promote the spirit of regenerative medicine in humanity.

d. Regular organize the performance conference, and cooperate with doctors to

announce the effects of cell therapy. The effectiveness of cell therapy is demonstrated through real clinical results.

- e. Keep developing the regenerative medical products and services. Strengthen self-research capabilities, combine medical and market needs, and enhance the Company's influence in the industry.
- B. Development of Operation
- a. Maintain the number of approved hospitals (channels) that cooperating with "Regulations Governing Specific Medical Techniques" cell therapy plan, including "autologous chondrocytes" and "autologous fibroblasts", so that patients/customers can receive safe cell therapy nearby.
 - b. Keep cooperating with major hospitals to apply for the six major cell therapy projects of the "Regulations Governing Specific Medical Techniques" to increase products and services to increase revenue.
- (ii) Long term plan
- A. Marketing strategy
- a. Introduce the international medical service
China has a large area and a large population. At present, the hospital service area in China cannot cover all regions. If the Company promotes cooperation between Taiwan and China in regenerative medical technology, the Company would introduce clients in-demand to Taiwan for cell therapy.
 - b. Expand the International Channels
Taiwan locates in the center of Asia. Based on the flight time of four hours, it reaches most parts of East Asia. That is, through shipping, cell therapy products can be shipped to designated places of overseas commissions, and it is expected to enter the overseas cell therapy market through international channels.
- B. Development of Operation
- a. Establish the International Association of Regenerative Medicine to enhance the level of regenerative medicine in Taiwan and share new medical knowledge.
 - b. Establish a supply chain system for regenerative medicine products, such as a cold chain transportation system.
 - c. Set up a human cell and tissue preservation bank as a source of raw materials for cell therapy products.
 - d. In the process of expanding overseas business alliances, it carries out product education and high-level talent cultivation, expands the production capacity and product promotion, and also develops channels for start-ups such as technology transfer or authorization.

2. Overview of Market, Production and Sales

(1) Market analysis

A. The sales (provision) area of the main commodities (services)

Unit: NT\$ thousand

Year Area	2021	
	Amount	%
Oversea	1,464,434	72.79%
Domestic	547,383	27.21%
Total	2,011,817	100.00%

B. Market ratio

●Electric Business Group

The revenue of the Company's electronics business group in 2021 was NT\$ 1,810,819 thousand with an increase of 15.71% over the consolidated operating income in 2021. In 2021, due to the impact of the epidemic and the US-China trade war, the domestic

economy and the video industry are booming, resulting in a large procurement from important customers. The purchase volume is as high as NT\$ 100 million higher than the previous year, so the overall performance and revenue in 2021 increased; in addition, new demand is found in the application part of the new market (high-end commercial switches, vehicle switches, high-end servers, wafer testing machines, gaming machines) and shipments begin. In the future, the Company will keep focusing on the development of products with higher gross profit (E-Switch, Phoenix) and increase the proportion of other profitable product lines, and the Company will keep actively exploring agency brands for products in various application fields, increasing in market share in the future and integrate product portfolio.

Unit: NT\$ thousand; %

Firm	Main products	Type	Paid-in capital	Revenue of 2021	Growth rate of revenue (%)	EPS of 2021
MetaTech	Wholesale and retail of electronic materials	OTC	681,726	1,810,819	15.71	(0.4)
Sentronic	Importation and exportation of electronic parts and computer equipment, and manufacturing of electronic components	OTC	365,679	1,000,370	33	0.84
PCT Group	Burning, processing, testing and trading of computer electronic products and parts	OTC	721,458	4,186,600	13.2	2.36
Chander	Distribution agency, maintenance, importation and exportation of electronic components, components, integrated circuits, computer equipment and peripheral products	OTC	686,600	363,350	(80.87)	(0.52)

Compared with the industry, the cCompany and its subsidiaries are all electronic component distributors and have similar capital, but the products represented by each company are still various. The operating income of the Company and its subsidiaries is slightly lower than that of PCT, but higher than that of Sentronic and Chander. The main reason is to adjust the customer structure and eliminate the less profitable product line, resulting in a decline in revenue. Due to the manpower optimization of the electronics department and the increase in gross profit margin, it showed the earning. The Company considered the industrial innovation and transitioned to the biomedical industry. Due to the impact of increased operating expenses, the profit in the current period was reduced. The Company and its subsidiaries are based on the principle of sound management and sustainable development. Therefore, in terms of product sales strategy, the Company pays attention to the layout of the overall 3C industry and strengthen the coverage of the product line to avoid the impact of the downturn in the single electronics industry, and gradually develop the high-gross profit and promising products, strengthen long-term and stable relationships with customers, and make the Company's revenue grow steadily.

The Company and its subsidiaries are distributors of electronic components. They

mainly distribute European and American brands. The product range covers the communication products, connectors and consumer products. With representing the main brands Samtec and Everspin, the market share is stable. The Company and its subsidiaries have been actively developing agent brands for products in various application fields, which would increase the market share of relevant industries in the future.

●Biomedical Business Group

According to the market research report "2020: Growth & Resilience in Regenerative Medicine Annual Report" (Alliance for Regenerative Medicine, ARM), as of the end of 2020, there are more than 1,085 companies engaged in regenerative medicine-related businesses worldwide, including gene therapy, cell therapy, and tissue engineering treatment development with an increase by 98 firms compared to 2019 (an increase of 9.93%); There are 1,220 regenerative medical products that have entered clinical trials worldwide with an increase by 154 products (14.45%) over 2019, of which 152 products are in clinical phase III, 685 products in clinical phase II and 383 products in clinical phase I; in 2020, the total investment in regenerative medicine and advanced therapies was about US\$220 billion in global.

According to a research report by Market and Markets, the global regenerative medicine market includes cell therapy, immune cell therapy, gene therapy and tissue engineering products. The market size in 2018 was USD 110.5 billion. It is estimated that the global regenerative medicine market will reach USD 25.3 billion in 2022, with 24.6% of compound annual growth rate from 2018 to 2022. It shows the vigorous development and prosperity of the regenerative medicine industry.

According to the 2020 Biotechnology White Paper of the Ministry of Economic Affairs, the total revenue of the biotechnology industry in 2019 was NT\$559.7 billion with an increase by 8.7% over 2018, and the growth rate was recorded high in recent years. The amount of private investment also reached NT\$55.1 billion. The cumulative investment of the National Development Fund of the Executive Yuan in the field of biotechnology is NT\$13.3 billion, of which the Company received an investment of NT\$ 100 million from the National Development Fund in 2018.

According to the annual statistics of the Health Insurance Department of the Ministry of Health and Welfare, the visiting number of knee osteoarthritis in Taiwan was 790,509 in 2016, and the visiting number of knee osteoarthritis in 2019 was 863,119, with an average increase rate of 2.99% during the period. According to the 2020 statistics of the Health Insurance Department, there were 25,181 joint replacements in Taiwan. Based on the past implementation cases of E-Da Hospital (354 replacements in 2020), it is estimated that the proportion of laminator treatment/joint replacement clients is about 5-7%. Based on this optimistic estimate, the potential market size of Taiwan is about 25,181 (people), 5% = 1,600 people = 1,259 people.

C. The future supply and demand situation and growth of the market:

●Electric Business Group

When the semiconductor industry is blooming, the components would be in short supply, and the revenue and gross profit of distributors would also increase as a result. However, when the revenue of a distributor decreases, it does not necessarily mean that its profit declines. Especially when the products newly enter to the market, the distributor usually enjoys a higher gross profit. Therefore, when the components are out of stock, its revenue may decrease, but the gross profit margin still increases, so the distributor is able to maintain the profit. In addition, the Company's main business is the agent and sales of semiconductor components to downstream electronic product manufacturers at domestic and abroad, and the main sales areas of downstream manufacturers are in Europe and the United States. Therefore, affected by the traditional third and fourth seasons of the global electronics industry, the demand for semiconductor components by electronic manufacturers is still seasonally different. In order to reduce

the impact of seasonal changes in customer demand on the Company, the Company and its subsidiaries, after evaluating the market characteristics and the supply conditions of various products, adjust the procurement and input schedule at any time to avoid excessive inventory.

The issue of the US-China trade war in 2021 and the occurrence of the global epidemic have caused the significant changes in the manufacturing chain of electronic products. Among them, the most affected regions are electronic product manufacturers in China, because production plants have been begun to transfer to Southeast Asian countries and Taiwan. To prevent the problem of transferring business, each company has strengthened its business and manpower bureaus outside of China. Therefore, the company and its subsidiaries have made every effort to arrange this part of the business to circulate with each other and meet the needs of the market and customers.

● Biomedical Business Group

In recent years, the international medical business in Taiwan has continued to develop, and the number of foreign people coming to Taiwan for medical services or health examinations has been rising. This phenomenon shows that Taiwan's medical capabilities and standards have a considerable international reputation and competitiveness. In terms of medical technology standards, international reputation for treatment, and medical expenses, Taiwan's medical cost performance has considerable advantages compared to other regions in the world. Through overseas channels and cross-industry cooperation among travel operators, Taiwan International Tourism Medical has served nearly 1.93 million passengers, with a value of NT\$ 97 billion as of 2017.

According to a 2017 survey by TAITRA (Taiwan External Trade Development Council), it pointed out that joint reconstruction surgery in Taiwan has the advantages of less tissue trauma, short recovery time and low cost, and is widely favored by international medical treatment. According to the international medical statistics of the Taiwan International Medical Global Information Network, there are about 320,000 international medical visits every year, of which about 3.35% seek international medical orthopedic treatment; and according to the National Health Insurance Medical Quality Information Disclosure Network of the Health Insurance Department of the Ministry of Health and Welfare of Taiwan, more than 25,000 people in Taiwan underwent the artificial knee replacement surgery in 2020. As far as the knee cartilage defect market is concerned, if the treatment replacement rate of 5% to 30% is calculated, it is optimistically estimated that the annual size of Taiwan's medical market in current is between 2,250 and 13,500 people.

Taiwan's aesthetic medicine and plastic surgeons also occupy a place in global. In the past, Taiwan's plastic surgery specialists have created and improved many core surgical techniques, and have trained the plastic surgeons from all over the world. For example, one out of every four orthopedic surgeons in South Korea was trained in Taiwan. Due to the advantages of non-invasive treatment, short recovery period, low side effects, affordable prices, touching and holistic solution services, the number of medical beauty customers attracted to Taiwan from overseas has shown a trend of increasing year by year. With this estimation, the Company's autologous fibroblast transplantation for the treatment of skin defects is a cell therapy technology approved by the Ministry of Health and Welfare. If it can be implemented in hospitals and clinics, it benefits not only the domestic clients, but also international medical clients. It is also credible and attractive, and the Company looks forward to market development in the future.

According to the cancer registration information of the National Health Administration and the cause of death statistics of the Ministry of Health and Welfare, there are 2,700 new cases of esophageal cancer and about 1,800 deaths every year, of

which more than 90% are men. It is the 6th highest incidence of cancer in men and the 5th highest cause of cancer death. Based on the total number of patients with esophageal cancer in Taiwan in 2016, the number of patients with stage 1 was 285, accounting for about 11% of esophageal cancer patients in the whole year ($285/2599 = 10.97\%$). Take $2599 \times 11\%$ (the proportion of esophageal cancer in stage 1) $\times 19\%$ (the circumference of the esophagus exceeds 75% squamous cell tumors) = 57 (people). According to the market evaluation report of esophageal and knee joint replacement in Taiwan by the Taiwan Medical Alliance Foundation, the number of Taiwanese receiving oral mucosal epithelial cell laminotherapy to replace traditional esophageal cancer therapy is about 30%. Based on this data, 57 (people) $\times 30\% = 17$ people, it is conservatively estimated that the annual revenue after listing is 15~20 pieces. On the other hand, about 470,000 people in China undergo esophageal surgery every year. Based on this proportion, it is estimated that the number of patients who meet the conditions for the use of the product is about 2,950. It is the main target market for the Company's oral mucosal epithelial cell laminator products.

The definition of regenerative medicine is the use of healthy cells to repair and replace the damaged or necrotic cells and tissues or organs damaged by disease or trauma. This mainly involves the cell and tissue engineering. It must integrate the clinical medicine, materials engineering, cell biology, and genetic engineering. As the global enters "aging" population and the extension of human life expectancy is accompanied by an increase in the degenerative diseases, major traumas or diseases that cannot be cured by traditional medical treatment, the newly developed regenerative medical technology is expected to achieve the purpose of treatment. Thus, the development and clinical demand for regenerative medicine will be more important.

D. Competitive niche

●Electric Business Group

In order to occupy an important place in the agency distribution market, it is necessary to master timeliness, not only in the supply of products and technical support, but also to enable downstream manufacturers to launch their most competitive products in the shortest time. Under the professional teamwork of the electronics industry, the production model of global operations research and management makes the value that professional electronic component agents and distributors can provide to downstream manufacturers no longer limited to products and prices, but logistics support, comprehensive product portfolio, and the value of technical services. In this industry, the integrity of the product portfolio, the strength of the ability to provide technical services, the speed of supply and the acquisition of professional information are often the key to achievement and also affect the quality of customer service. The Company's professional and technical service and brand image are highly recognized in the industry because of its ability to gain insight into product trends and opportunities. It provides customers with the best product portfolio in real time, while proactively providing customers with the latest product with the best function, and maximizing the role of professional services to ensure the continuous expansion of the Company's future performance. The Company's ability to ensure market competition is mainly based on:

- (1) Information, communications, and consumer electronics all-round complementary and complete agency lines
- (2) Complete and strong management team
- (3) Superior supply management system
- (4) Strong technical support capabilities, diversified product portfolio development
- (5) Good marketing channels and far-reaching layout
- (6) Related applications in new areas of layout

●Biomedical Business Group

At present, in terms of the six cell therapy projects in the "Regulations Governing

Specific Medical Techniques", nine hospitals have obtained license of "autologous chondrocyte transplantation" for the treatment of knee cartilage defects, and four hospitals have obtained license of "autologous fibroblast transplantation" for the treatment of skin defects. 13 hospitals commissioned MetaTech Company to manufacture cell therapy products.

In the medical market of "autologous chondrocyte lamellar transplantation" and "autologous fibroblast treatment of skin defects", there are still no competitors. metatech company is market pioneer, with the first dominant effect, including: (1) leading technology, no other alternatives; (2) create economies of scale; (3) channel relationships, stable customers; (4) take the lead in building strategic assets; (5) increase the conversion cost of customers; (6) price leaders and industry benchmarks. in the process of industrial development, the Company has made important strategic and technical decisions, and took the lead in entering the markets of "Autologous chondrocyte laminates for the treatment of knee cartilage defects" and "Autologous fibroblasts for the treatment of skin defects", instead of choosing the "autoimmune cell therapy market" with low visibility among competitors, thus having a competitive advantage and an irreplaceable competitive niche.

In the development of regenerative medical products, the Company chose to transfer technology to CellSeed. Among the projects developed by the Company, the "oral mucosal epithelial cell lamina" transplantation technology with the most mature technology and the most complete clinical data is used to prevent superficial esophageal cancer from developing esophageal stenosis after ESD surgery. The Company also adopts the same market pioneer strategy that after the transfer of technical authorization data, the Company will apply for a phase III clinical trial in Taiwan and be approved by the Ministry of Health and Welfare for implementation. If the clinical trial is completed as soon as possible and the medicine certificate is approved, the Company is able to get the market as well as the leading position on market.

E. Advantages and disadvantages of the development vision and countermeasures

●Electric Business Group

Postive factors

- A. Communication network, GPS, LED, Bluetooth and mobile phone application products continue to grow at a high level
- B. The benefits of vertical division of labor are becoming more and more obvious
- C. Professional technical service capabilities
- D. Perfect after-sales service and total solution (total solution)
- E. Stable agency rights

Negative factors and countermeasures

- A. The Company is smaller and it is more difficult to fight against large distributors
Countermeasures: The Company currently focuses on entering niche markets, and maintains customer relationships and maintains high gross profit by providing better service quality for larger distributors and helping customers solve R&D problems.
- B. Products change quickly and have a short life cycle
Countermeasures: The Company holds regular review meetings, through the guidance and analysis of the computer information management system, to truly follow up the life cycle development of the customer's products, to formulate preventive measures, and to adjust the number of weeks of inventory stock. In addition, according to market product trends and technical dynamics, the Company formulates the future development direction and opportunities, actively represents highlight products, introduces new product agency rights and develops new customers in a timely manner, in order to obtain the opportunities for new market development.

●Biomedical Business Group

(1) Postive factors

- A. Cooperated with Cellseed, a well-known Japanese manufacturer, to introduce cell lamination technology, and Cellseed has been deeply engaged in the regenerative medicine for a long time and is in line with international standards.
 - B. The company uses the technology authorization to cooperate with Cellseed, which saves a lot of manpower and expenses in the early research and development.
 - C. MetaTech Company is an early investment company in the regenerative medicine in Taiwan. It has established cooperative alliances with a number of hospitals to maintain its competitiveness.
- (2) Negative factors and countermeasures
- A. Product and technology patents are well protected by the advanced countries
Countermeasures: The Company currently cooperates with Japan through technology authorization to enable MetaTech Company to obtain competitive products.
 - B. Competition for homogeneous products.
Countermeasures: MetaTech Company's existing regenerative medical products are competing with other homogeneous products in the market, but now MetaTech's existing products have significant curative effects and are expected to maintain competitiveness.
 - C. Regulation is strictly regulated in terms of aspects, focusing on the safety of cell therapy.
Countermeasures: The three laws of Regenerative Medicine have been announced, and major changes in the regulatory system are expected. MetaTech Company has already responded to the changes, such as planning for the allogeneration of cell products and production automation.
 - D. Regenerative medicine is a relatively new technology in Taiwan and requires a lot of promotion cost.
Countermeasures: The Company will train the business personnel to receive regular training, and plan to cooperate with major hospitals in promotion, so that patients can choose regenerative medicine products instead of traditional treatment methods.

(2) The important uses and production process of the main products:

A. Main function of products

Electric Business Group

Main product	Function
Consumer products	Semiconductor for broadband networks, related multimedia and video application products
Communication	Semiconductor for mobile phones, satellite positioning systems, etc.
Connector	Electronic components for network and communication
Other	Application module for touch screen and transmission

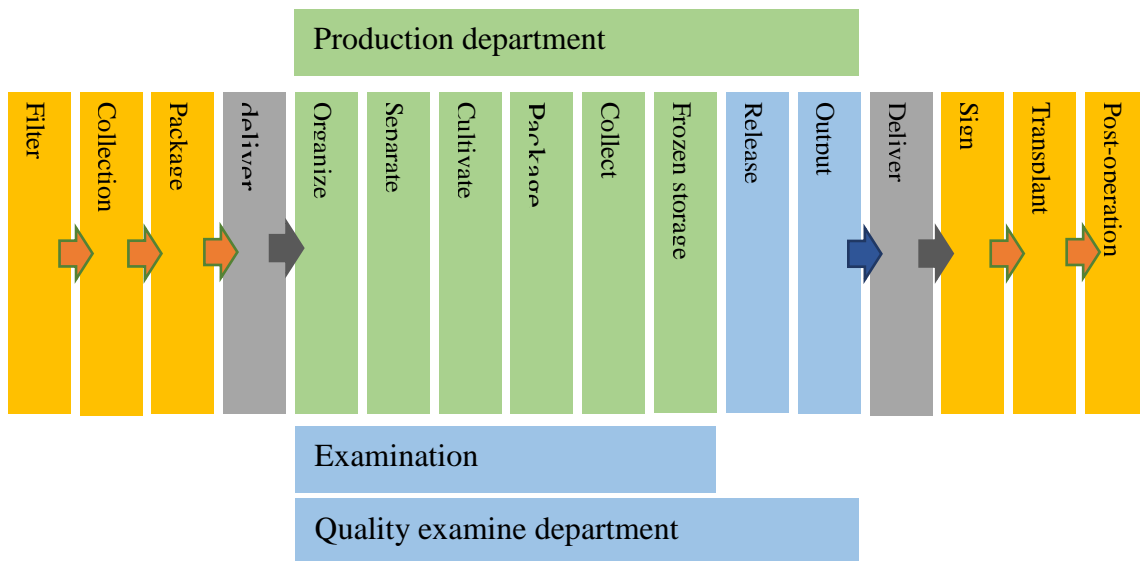
Biomedical Business Groups

Main product	Function
Cell products	<ol style="list-style-type: none"> 1. It is used for the prevention of esophageal stenosis after endoscopic submucosal dissection (ESD) after esophageal cancer surgery. 2. It is used for cartilage regeneration and repair of knee cartilage defects. 3. It is used for filling and repairing skin defects: wrinkles, depressions and scars
Cell storage service	<ol style="list-style-type: none"> 1. Autologous peripheral blood mononuclear cell storage, which is used in immune cell therapy in the future.

B. Production process of main products

Electronics business group: The Company's electronics department is trade-oriented, so the product manufacturing is not involved.

Biomedical business group: The main product process is as follows :



- (3) The supply status of the main raw materials: The Company belongs to the channel of components, not the manufacturing. The Company does not have supplier of the main raw materials, so it only provides the supply status of the main commodities.

Electric Business Group

Main product	Suppliers
Consumer products	AIC Alliance, Mxic
Communication	Asix Silabs Everspin Infibi
Connector	Samtec E-Switch PhoenixContact,
Other	LedEngin Sunon

Biomedica Business Group

Main products	Channel (Hospital)
Autologous Fibroblast Transplant	E-Da Hospital, Changhua Christian Hospital, Taipei Medical University Hospital, Hualien Tzu Chi Hospital
Autologous chondrocyte lamellar transplantation	E-Da Hospital, Kaohsiung Veterans General Hospital, Taipei Medical University Hospital, Hualien Tzu Chi Hospital, Changhua Christian Hospital, Shin Kong Wu Ho-Su Memorial Hospital, Tri-Service General Hospital, Min Sheng General Hospital, Tung's Taichung MetroHarbor Hospital.

(4) The names of customers who have accounted for more than 10% of the total imports (sales) in any of the last two years, and the amount and proportion of imports (sales), the reasons for the increase or decrease.

Information on major suppliers in the last two years

Unit: NT\$ thousand

Item	2020				2021				FY2022 as of the previous quarter (Note 2)			
	Name	Amount	percentage of net imports for the year [%]	Relationship with the Issuer	Name	Amount	percentage of net imports for the year [%]	Relationship with the Issuer	Name	Amount	Percentage of net purchases for the year ended the previous quarter [%]	Relationship with the Issuer
1	A	785,060	57%	-	A	655,745	37%	-	A	175,790	36%	-
2	C	96,743	5%	-	C	265,476	15%	-	C	122,257	25%	-
3	D	223,863	13%	-	D	414,373	24%	-	D	114,674	23%	-
4	Other	379,678	16%	-	Other	425,131	24%	-	Other	81,779	17%	-
5	Net importation	1,388,601	100		Net importation	1,760,725	100		Net importation	494,500	100	

Note 1: Specify the name of the supplier with more than 10% of the total procurement in the last two years and the relevant amount and proportion of the procurement. If the contract stipulates that the name of the supplier or the transaction object is an individual and not a related person, it can be named as code.

Note 2: As of the date of publication of the annual report, companies that are listed or whose shares have been traded in the business premises of a securities firm shall disclose the most recent financial information that has been verified or reviewed by an accountant.

Information on major sales customers in the last two years

Unit: NT\$ thousand

Item	2020				2021				FY2022 as of the previous quarter (Note 2)			
	Name	Amount	percentage of net sales for the year [%]	Relationship with the Issuer	Name	Amount	percentage of net sales for the year [%]	Relationship with the Issuer	Name	Amount	Percentage of net sales for the year ended the previous quarter [%]	Relationship with the Issuer
1	A	169,887	10.78%	-	A	40,279	2.00%	-	A	11,490	1.98%	-
2	B	18	0.00%	-	B	156,054	7.76%	-	B	88,003	15.19%	-
3	Other	1,406,174	89.22%	-	Other	1,815,484	90.24%	-	Other	479,859	82.83%	-
4	Net sales	1,576,079	100		Net sales	2,011,817	100		Net sales	579,352	100	Net sales

Note 1: Specify the name of the customer with more than 10% of the total sales in the last two

years and the relevant amount and proportion of the sales. If the contract stipulates that the name of the customer or the transaction object is an individual and not a related person, it can be named as code.

Note 2: As of the date of publication of the annual report, companies that are listed or whose shares have been traded in the business premises of a securities firm shall disclose the most recent financial information that has been verified or reviewed by an accountant.

Production value in the last two years

Capacity Amount Value Main commodity (department)	2020		2021			
	Capacity	Amount	Value	Capacity	Amount	Value
Biomedical products	264	56	5,199	1424	543	13,917
Total	264	56	5,199	1424	543	13,917

Note 1: Production capacity refers to the quantity that the company produces under normal situation using existing production equipment after measuring the necessary downtime, holidays and other factors.

Note 2: If the production of each product is replaceable, the production capacity may be calculated together and annotated.

(5) The value of sales in the last two years

The Company is not in the manufacturer, and the original specifications are different and cannot be analyzed statistically by quantity, so the sales volume value table is analyzed as follows:

Unit: thousand unit; NT\$ thousand

Sales Unit/value Items	2020				2021			
	Domestic		Oversea		Domestic		Oversea	
	Unit	Value	Unit	Value	Unit	Value	Unit	Value
Biomedical product	7	10,837	-	-	2	200,939	-	-
Others	1	27	125,102	267,567	-	9	130,238	488,064
Consumer products	1,288	4,006	4,307	41,781	1,823	5,737	5,933	49,325
Communication product	102	8,476	1,898	204,646	133	8,403	2,475	348,870
Connectors	6,653	342,784	44,462	695,955	8,720	332,295	39,185	578,175
Total	8,051	366,130	175,769	1,209,949	10,678	547,383	177,831	1,464,434

(6) Key Performance Indicator

A. Personnel costs to be borne by the average revenue in the last two years:

Unit: NT\$ thousand

	2020	2021
Income	1,576,079	2,011,817
Personnel costs	134,120	148,612
Personnel costs/ income	0.09	0.74

B. The average revenue created by each employee in the last two years:

Unit: NT\$ thousand

	2020	2021
Income	1,576,079	2,011,817
Employee number	146	141
Income/ employee number	10,795	14,268

C. Financial structure, repayment ability and operating ability in the last two years:

Unit: %; times

	2020	2021
Debt ratio(%)	38.83	16.43
Current ratio(%)	244.84	615.01
Quick ratio (%)	215.26	576.08
Receivable turnover (time)	5.49	5.34
Inventory turnover (time)	16.31	14.38

3. Information of employees in the last two years and as of the date of publication of the annual report
30 April 2022

Employee number (person)	Year	Current year as of April 30, 2022	2021	2020
	Sales		90	90	96
Application Engineers		-	-	-
Administrative		50	51	50
Total		140	141	146
Average age		43.79	40.12	41.97
Average working years (years)		8.52	8.19	7.82
Ratio of academic background	PhD	7.86% (11 persons)	7.80% (11 persons)	8.22% (12 persons)
	Master	24.29% (34 persons)	24.11% (34 persons)	26.03% (38 persons)
	College	62.86% (88 persons)	63.12% (89 persons)	59.59% (87 persons)
	High school	4.99% (7 persons)	4.26% (6 persons)	5.48% (8 persons)
	Below high school	0.00% (0persons)	0.71% (1 person)	0.68% (1 person)
	Total	100.00%	100.00%	100.00%

4. Environmental expenditure information

(1)According to the regulation: those who shall apply for a pollution facility installation permit or a pollution discharge permit, or shall pay pollution prevention and control fees, or shall set up a special environmental protection unit, their application, payment or

establishment status description: The Company is a distribution agent of semiconductor components, has no production activities, and there is no pollution situation. According to Beihuan Four Zi No. 0910057747, the Company has been reviewed in paper and determined to be a "temporarily unregulated" business organization, and there is no pollution, so it does not apply.

Listed companies shall explain the implementation of the EU Restriction of Hazardous Substances Directive (RoHS). (According to Taiwan Stock Exchange's Tai Jeng Shang Zi No. 0950007006 on April 13, 2006 and the Counter Purchase Center's Jeng Kui Chien No. 0950200962 on April 12, 2006): According to the characteristics of the company's industry, it is not affected by the European Union Restriction of Hazardous Substances Directive (RoHS).

- (2) Investment in the main equipment for pollution prevention and control, its use and possible benefits: not applicable.
- (3) In the last two years and as of the date of publication of the annual report, the company's history of improving environmental pollution, and those who have pollution disputes, should also explain their handling history: None.
- (4) In the last two years and as of the date of publication of the annual report, the total amount of losses and disposals suffered by the company due to environmental pollution, and its future countermeasures and possible expenditures are disclosed: none.
- (5) The current pollution situation and the impact of its improvement on the company's surplus, competitive position and capital expenditure and its expected major environmental protection capital expenditure in the next two years: none.

5. Labor relation

- (1) List the company's various employee welfare measures, continuing education, retirement system and its implementation, as well as labor-management agreements and various employee rights and interests protection measures.

A. Employee welfare measures

- (1) Year-end meal.
- (2) Year-end bonus.
- (3) Labor insurance, health insurance and comprehensive insurance for overseas business trips.
- (4) Professional education.
- (5) Free health examination service
- (6) Provide parking spaces.
- (7) Matters handled by the Employee Welfare Committee :

The Staff Welfare committee provides birthday, marriage and maternity gifts, condolences for illness and hospitalization, funeral ceremonies, and organizes staff travel activities.

B. Staff refresher and training system

- (1) In order to enhance the competitiveness of employees, the company plans to have "education management procedures" and "Employee on-the-job training management measures". Through talent training, every employee realizes their maximum potential.
- (2) The Company's annual training business department combines internal training, external institutional training courses and internal training of various departments.
 - (A) Internal training: colleagues serve as lecturers in their professional fields to share their own experience and professional knowledge; or hire experts in related fields from professional institutions to provide common sense of employee life safety services.
 - (B) External training: colleagues sign up and participate in professional courses offered by corporate management consulting companies, training institutions and government agencies. The Company provides annual subsidies for external training of colleagues.
 - (C) Training for new recruits: explain the organization and system, work rules and

responsibilities, and conduct regular assessments and supervision.

(D) Further education subsidies: subsidize the outstanding colleagues to study in well-known domestic academic institutions, and continue to learn relevant knowledge and skills at work.

C. The Company's statistics and expenditures for further education and education and training of relevant employees in 2021 are as follows:

December 31, 2021

Training	Internal training	External training
Trained person	109 people/1581.5Hours	54 people/841.5Hous
expenses	NT\$ 126,414	NT\$ 802,410
Course names	<p>I. General Training Number of trainees : 92 Training hours : 876.5H 1. Discussion on internal management practices TOP5 job description Conference specification description Detailed budget preparation and review operation instructions Instructions for the preparation of the resignation of the Secretary-General Correct use of characters in official documents Key points for the implementation of the company's establishment of an internal control system Written internal control structure Key introduction to the sales and collection cycle of the company Introduction to the key points of the procurement cycle of the company Key introduction to the product R &D cycle Key introduction to the production cycle of the factory Key introduction to the cycle of wages and workers/the cycle of real</p>	<p>I. Biomedical Business Group Number of trainees : 29 Training hours : 530.5 hours 1. United States Pharmacopeia Active Pharmaceutical Ingredient (API) Foundations of GMP: Auditing Foundations of GMP Data Integrity and Computer System Validation Heating, Ventilation, and Air Conditioning (HVAC) Systems Medicinal Products Qualification Quality Risk Management Deviations, Root Cause Analysis (RCA) Tools and Corrective and Preventive Action (CAPA) - Sequence flow for handling of any non-conformance in the GMP environment" Validation Water Systems 2. 8-hour training course on basic life-saving techniques of the Red Cross of the Republic of China BLS 3. Tamsui Mckay Clinical Skills Center BLS Basic Life-saving 8-hour Training Course 4. First Aid Skills Promotion Association of the Republic of China BLS (CPR+AED) First Aid Training 5. Taiwan Society of Regenerative Medicine The application of human cells and their derivatives to Regenerative Medicine and the 2021 Academic Seminar of the Taiwan Society of Regenerative Medicine 6. National Certification Foundation Environmental experiment certification</p>

Training	Internal training	External training
	<p>estate, factories and equipment</p> <p>Key introduction to the cycle of computerized information systems in China</p> <p>Participate in financing cycles, investment cycles, and other control operations</p> <p>2. Fire safety Workshop Emergency emergency response Household electrical fire prevention and response Labor safety and occupational injury prevention Download the latest version of CPR. AED (field operation or oral presentation) Understanding and prevention of the new coronavirus</p> <p>3. Maintenance and management of intellectual property rights Introduction to Intellectual Property rights in China Introduction to patent rights Copyright introduction Introduction to Intellectual Property trademark rights</p> <p>4.ERP voucher payable operation instructions, payment method and expense account description Operation instructions for #7170 Manufacturer's fee request form Accounting expense account description Operation instructions for</p>	<p>specification ISO/IEC 17025 training</p> <p>7.Taiwan Parenteral Drug Association Guide to Good Manufacturing Practices for Medicines (PIC/SGMP Guide)</p> <p>GMP practical education in clean room management (environmental monitoring, cleaning and disinfection)</p> <p>GMP practice education in warehousing operations/Packaging & maintenance</p> <p>GMP practice education in process verification and aseptic process simulation</p> <p>II. Directors & Independent Directors Auditors Number of trainees: 16 Training hours: 226 hours</p> <p>1. Taiwan Corporate Governance Association Analysis of anti-money laundering cases and pre-crimes (including insider trading) Key points for the revision of the Responsibilities of Directors and Supervisors and the Insurance Law Shanghai Fubon Property Insurance Directors and Supervisors Responsibility and Risk Management Seminar “Audit Committee Series Course” of Audit Committee Establishment and Operation Understand the key technologies and market applications of 5G and IoT Discussion on the governance structure and case study of the inheritance of the family business Talking about the actual combat strategies at both ends of the attack and defense of the business secret room "How to maximize the value of D&O to protect directors and supervisors? Quickly interpret and prepare the ESG disclosure requirements of Corporate governance 3.0 How to understand relational transactions and unconventional transactions from practical cases</p>

Training	Internal training	External training
	<p>receiving the ERP payable voucher (manufacturer's fee request form)</p> <p>Description of accounting subjects</p> <p>For all materials/equipment assets, please specify the purchase, order and approval authority for the purchase, order and approval.</p> <p>5. Occupational safety and Health Management</p> <p>National General Occupational Safety and Health Education and Training Course (Part 1)</p> <p>National General Occupational Safety and Health Education and Training Courses (Part 2)</p> <p>Common hazards in the food manufacturing industry–Prevention of chemical hazards</p> <p>Common hazards in the automotive manufacturing industry–Prevention of electrical hazards</p> <p>Common hazards in the automotive manufacturing industry–Prevention of confined space hazards</p> <p>Common hazards in the textile manufacturing industry–prevention of hazards caused by being caught and rolled</p> <p>Common hazards in the automobile manufacturing industry–Prevention of falling and rolling hazards</p> <p>National Hazardous Chemical Labeling and General Education Rules</p> <p>On-the-job education and training on safety and</p>	<p>Sharing of key examples of the success or failure of China's digital transformation</p> <p>Company directors and supervisors should understand the commercial incident trial law and court trial trends</p> <p>Ten compulsory courses on corporate governance</p> <p>How the Audit Committee supervises the effectiveness of internal controls</p> <p>The new challenges of the Board of Directors from the perspective of Corporate Governance 3.0</p> <p>Case analysis of hostile mergers and acquisitions, competition for management rights and company countermeasures</p> <p>Talking about Taiwanese business operations and M&A strategies from the global political and economic situation</p> <p>Analysis on the protection of business secrets and fraud detection and prevention practices of enterprises</p> <p>Prevention of insider trading and the latest practical developments</p> <p>Analysis and sharing of examples to avoid accidentally touching the red line of insider trading</p> <p>Best practices in intellectual Property management</p> <p>Talking about money laundering prevention and control and anti-terrorism from various legal documents</p> <p>Discussion on cases of fraud in the financial statements of Chinese enterprises</p> <p>In the fast-changing environment of technology, directors lead the way for companies to respond</p> <p>2. Accounting Research and Development Foundation</p> <p>The practice of Corporate corporate governance in China: the impact and response of the newly promulgated Labor Incident Law on Enterprises</p> <p>The new law on Self-compilation of financial Reports responds to the policy analysis and internal control management practices of the competent</p>

Training	Internal training	External training
	<p>health in the food and beverage service industry</p> <p>6. Purchase of property, plant and equipment, and repairs and maintenance purchase and acceptance procedures</p> <p>7. Information security and business secrecy Business secrets management foundation Information Security Concept Scope of business secrets Laws involved with intellectual property (including Patent Act, Trademark Act, Copyright Act, and Trade Secrets Act, etc.)</p> <p>II. Professional training Number of trainees: 89 Training hours: 627.5 hours</p> <p>1. MINARIS internal training Regenerative Medicine CDMO Business Development Basic Program</p> <p>2. Investigation Bureau, Ministry of Justice in Taipei Maintain common sense and crisis awareness of business secrets and information security</p> <p>3. Thoracic Physician Internal training of Taipei Medical University Hospital Laboratory Immune Cell Detection and Storage Course</p> <p>4. GCP training 5. Sales training 6. Product introduction of</p>	<p>authority "assisting companies to improve their ability to prepare financial reports on their own"</p> <p>Participate in the XBRL Declaration Promotion Meeting</p> <p>Financial accounting and evaluation practices of mergers and acquisitions of Chinese enterprises</p> <p>Analysis of China's latest Securities and financial taxation laws and Professional standards Issues</p> <p>The practice of Corporate Governance in China: Discussion on Employee Reward Strategies and the Use of Tools</p> <p>Financial accounting and evaluation practices of real estate, plant and equipment</p> <p>Discuss the role and operating practices of "independent directors" in corporate governance</p> <p>3. Securities and Futures Institute Participate in the equity promotion briefing for insiders of emerging stock companies on the stock exchange</p> <p>4. Institute of Internal Auditors A series of courses on the core knowledge and skills of internal auditors (2): Internal audit practice A series of courses on the core knowledge and skills of internal auditors (3): Business knowledge of internal audit Risk-oriented internal audit methods and practices Focus on production cycle practice and Audit Professional audit supervisor management skills III: (Audit techniques and tools)</p> <p>III. Operation office/General management office in Taiwan Number of trainees: 9 Training hours: 85 hours</p> <p>1. Hewlett Packard Enterprise (HPE) User training of HPE SimpliVity</p>

Training	Internal training	External training
	<p>knee cartilage laminate 7.General Presentation of Mcell 8. Introduction of Immunocell Storage Products 9.Introduction to Basic Statistical Analysis & GCP Statistical Audit 10.How to properly execute the clinical trials 11.Basic lecture of "The Magic of Presentation", from a famous lecturers</p> <p>III. Operation office in Taiwan – Product introduction Number of trainees: 7 Training hours: 79.5 hours</p> <p>Samtec’s Product Introduction ERP voucher operation instructions Payment request method and expense account description Samtec’s Website Operation and Product Introduction Samtec’s 56/G112G Solutions Samtec’s Products Samtec’s Website Phoenix overview PXC’s Product Introduction Main Object Power IC Product Teaching AIC/AME PXC’s Website Alliance/Everspin Products AME/AIC’s product introduction Samtec test report E-switch’s product introduction and website operation</p>	<p>2. Data Systems Consulting Web report design B16 HR Law Issues and System Declaration Briefing 3.SGS Taiwan National Knowledge Management Benchmark Case Award Sharing Briefing 4.104 HR School Practical course on epidemic prevention and Management of small and medium-sized enterprises 5. Taiwan Parenteral Drug Association Guide to Good Manufacturing Practices for Medicines (PIC/SGMP Guide) Responsible for GMP practical education in clean room management (environmental monitoring, cleaning and disinfection) GMP practice education in warehousing operations/Packaging & maintenance 6. GMP Practical Education Process Validation and anti-bacterial Process Simulation</p>

Training	Internal training	External training
	Phoenix overview Basic Electronics 2D Drawing and Coding Principles Product Introduction Product Introduction (High-Pensity) High Speed Dual Row and Plug-in Backplane Connectors	

C. Employee retirement system

In order to take care of the retirement life of employees and promote labor-management harmony, the Company has established a preferential retirement management for employees, covering all formally appointed employees. For employees who choose the old pension system, the Company shall allocate pensions on a monthly basis at 4% of the total actual employee salary in accordance with the the Ministry of the Interior on the allocation and management of labor retirement reserves, and deposit them into the special account of the Central Trust Bureau.; For employees who choose the new pension system, the Company allocates 6% of the total actual employee salary to the individual labor pension account every month. Matters related to retirement shall be handled in accordance with the relevant provisions of the "Labor Standards Act" and the "Labor Pension Act". Matters related to retirement shall be handled in accordance with the relevant provisions of the "Labor Standards Act" and the "Labor Pension Act".

D. Employee Code

The Company has formulated relevant employee behavior or ethical measures and regulations in the employee handbook and instructions for all employees of the Company to follow, and placed them in the company's online platform for all colleagues to read. The relevant codes are briefly described as follows:

(1)The code of ethics for employees is summarized as follows:

- (A) In addition to abiding by government regulations, the employee should also abide by all regulations of the company and temporary announcements or notices, and work together to serve the company.
- (B) Due diligence must be exercised in the confidentiality of important documents.
- (C) The employee shall work in harmony, mutual assistance and cooperation, speak carefully, and strictly prohibit verbal abuse, fighting, causing trouble, disturbing order, obstructing public safety or other behaviors that are sufficient to damage the company's reputation.
- (D) Public property shall be taken care of, and there shall be no waste OR damage. Those who are damaged or lost due to negligence shall be compensated according to the price.
- (E) You must not use your authority to solicit property, rebates or accept gifts from manufacturers without authorization.
- (F) Shall abide by the company's regulations and perform the rights and responsibilities conferred by the company.

(2) Formulate rewards and punishments.

(3) Employee performance appraisal methods.

(4) Employee work regulations and code of conduct.

E. Protective measures for the working environment and the personal safety of employees

In order to protect the health and safety of the employees, the Company has proper planning for the workplace as follows:

- (1) Working environment
 - (A) The Company pays great attention to the safety of the working environment of employees, and participates in the promotion of fire drills by the park management committee from time to time to ensure the safety of the lives of the colleagues and calmly respond to emergencies in order to achieve the ultimate goal of none disasters.
 - (B) There are also employee rules for the working environment and the personal safety protection measures of employees, and they are required to be thoroughly implemented by their colleagues.
 - (C) In terms of the design and decoration of the office, in addition to considering factors such as shockproof and flame-proof to provide employees with the most comfortable and safe working environment, access cards, security systems and monitors have been installed at the entrance and exit.
 - (D) Entrust a professional cleaning company to organize and disinfect the workplace regularly, and often keep it neat and clean to maintain a comfortable and bright working environment.
- (2) Personal safety of employees
 - (A) The Company has established an employee welfare committee to organize various welfare measures and various subsidy operations.
 - (B) Apply for labor insurance, health insurance and labor pension insurance in accordance with the law to protect the personal safety and rights of employees.
 - (C) All employees of the Company go through additional safety insurance for business trips to protect the personal safety and rights of employees.
 - (D) Conduct employee health examinations with professional medical clinic teams and implement health management to maintain employee health.
 - (E) Arrange various channels for employees' leisure and health activities from time to time to enhance the opportunity for interaction between colleagues to enhance emotions and motivation.
 - (F) The Company has established a face recognition system to maintain the safety of employee entrance.
- (2) Specify the losses suffered due to labor disputes in the most recent year and as of the date of publication of the annual report, and disclose the estimated amount and countermeasures that may occur in the current and future. :
 - A. In the last two years of the company and as of the date of publication of the annual report, there have been no major labor disputes:
 - (1) The Company has always paid attention to labor relations, so there have been no labor disputes in the last two years, nor have it suffered losses due to labor disputes.
 - (2) The Company has established a good communication channel between labor and management, and the relationship is rational and harmonious. If there are no other factors other than changes in industrial relations in the future, no loss of any amount shall occur.
 - B. The estimated amount and countermeasures of current and possible future losses due to labor disputes:

The Company properly plans the principles of human resource management, re-examines whether resources have been rationally allocated, and reviews the relevant personnel system to comply with labor policies and regulations, pay attention to employee welfare, provide an excellent working environment, take care of the lives of employees, smooth communication channels, and make labor relations harmonious. The Company holds regular labor-management meetings in accordance with the law and

submits them to the Labor Bureau for the record, and has an Employee Welfare Committee and allocates employee welfares in proportion to operating income for the purpose of promoting employee welfare measures to improve employee centripetal force and promote labor relations. Due to the current harmonious labor relations of the Company, it is estimated that the possibility of losses due to labor disputes in the future is extremely low. In the future, the Company still upholds the humanized management and establishes a system of multiple communication channels. In addition to the existing harmonious relations, the Company hopes that labor relations will be further improved.

6. Major Contract
 (1) Electric Business
 Clients

Type	Client	Period	Content	Restriction
Purchasing contract	Accton Technology	Automatically extended after two years, one year each time	Sales of semiconductor component	24-month product defect warranty liability Prohibition of peer competition
Purchasing contract	Inventec	After three years, it will be automatically extended continuously for a period of one year and unlimited times.	Sales of semiconductor component	Product warranty responsibility for five years after discontinuation of production Three-year warranty after receipt
Purchasing contract	Hon hai Precision Industry	Automatically extended after five years, one year each time	Sales of semiconductor component	Product guarantee Confidentiality clause
Purchasing contract	WESTERN DIGITAL (original Sandisk is acquired by WESTERN DIGITAL)	Automatically extended after one year, one year each time	Sales of semiconductor component	Product guarantee Confidentiality clause

Suppliers:

Type	Client	Period	Content	Restriction
Agency and sales contract TW/HK/CN	Samtec	2003.01.01~ Continue to be valid until termination	Agency and sales of semiconductor components	Sales area Restrictions on intellectual property rights Confidentiality clause
Agency and sales contract TW/CN/SG/HK	Everspin	2009.01.05~Automatically extended after two years, one year each time	Agency and sales of semiconductor components	Sales area Restrictions on intellectual property rights Confidentiality clause
Agency and sales contract	Pixelworks (original	2020.04.01~ Continue to be valid until termination	Agency and sales of	Sales area Restrictions

CN	ViXS is acquired by Pixelworks)-		semiconductor components	on intellectual property rights Confidentiality clause
Agency and sales contract TW/CN/SG	E-Switch	2020.01.01~ Continue to be valid until termination	Agency and sales of semiconductor components	Sales area Restrictions on intellectual property rights Confidentiality clause
Agency and sales contract TW	Phoenix	2022.01.01~2022.12.31	Agency and sales of semiconductor components	Sales area Restrictions on intellectual property rights Confidentiality clause
Agency and sales contract TW	Analog	2022.01.25~2022.12.31	Agency and sales of semiconductor components	Sales area Restrictions on intellectual property rights Confidentiality clause

(2)Biomedical Business :

Type	Client	Period	Content	Restriction
Collaboration Agreement	CellSeed Inc.	2017.04.24~2027	Introduced cell laminator technology to Taiwan, and established a cell laminator process center (CPC) to continue clinical trials of esophageal and knee cartilage regeneration.	<ol style="list-style-type: none"> 1. The price of technology transfer will not be returned when the termination or cancellation of this agreement. 2. In the future commercialization, the Company shall pay a certain percentage of the royalties to CellSeed. 3. The period of the contract is 10 years. Before the expiration of the contract, it may be extended for 1 year without objection by both parties, and the extension will be the same. 4. For the ownership of patents and any other intellectual property rights of future derivative products, either party must agree to confirm in writing before it apply for them. 5. During the period of this contract agreement, if the Company develops similar esophageal and knee cartilage products and technologies with people or companies other than CellSeed, the Japanese CellSeed

Type	Client	Period	Content	Restriction
				Company has the right to terminate the contract and the Company shall return all confidential information previously provided by the Japanese side.
Real estate lease contract	Kingfisher Technology Corporation	2018.02.23~2028.05.14	Factory lease of cell laminator factory	Without consent, MetaTech cannot sublet the subject matter of the lease to a third party other than the affiliated enterprise.
Amendment No.2 to Collaboration Agreement	CellSeed Inc.	2018.12.06~2027	Adjustment of payment deadline	-
Commissioned contract for Cell Therapy product preparation	E-Da Hospital	2020.03.06~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Commissioned contract for Cell Therapy product preparation	Hualien Tzu Chi Hospital	2020.06.10~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Cooperation contract of autologous chondrocyte transplantation for knee cartilage defects	Taipei Medical University Hospital	2020.07.07~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Commissioned contract for Cell Therapy product preparation	Kaohsiung Veterans General Hospital	2020.07.16~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-

Type	Client	Period	Content	Restriction
Commissioned contract for Cell Therapy product preparation	E-Da Hospital	2020.07.29~ End of approved validity period	Cooperative implementation of cell therapy projects (fibroblast laminators)	-
Commissioned contract for Cell Therapy product preparation	ChuangHwa Chrsitian Hospital	2021.03.04~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Amendment No.3 to Collaboraton Agreement	CellSeed Inc.	2017.04.24~2037	Extension of contract term	-
Commissioned contract for Cell Therapy product preparation	Min Sheng General Hospital	2021.08.09~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Commission Contracts of cell products preparation	Shin Kong Wu Ho Su Memorial Hospital	2021.05.14~2022.12.17	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-
Commissioned Contract of Autologous Fibroblast Therapy Products	Taipei Medical University Hospital	2022.01.10~2022.12.17	Cooperative implementation of cell therapy projects (fibroblast laminators)	-
Contract for the autologous chondrocytes preparation for the treatment of knee cartilage defects	Tri-Service General Hospital	2022.02.16~ End of approved validity period	Cooperative implementation of cell therapy project (knee chondrocyte laminator)	-

VI. Financial Summary

1. Concise balance sheet and income statement for the last five years-International Financial Reporting Standards

(1) Concise Balance Sheet-International Financial Reporting Standards-Consolidated Information

Unit: NT\$ thousand

Year Item		Financial information for the last five years (Note 1)					Financial information for the current year as of March 31, 2022 (Note 1)
		2017	2018	2019	2020	2021	
Current assets		638,435	910,355	776,169	748,041	2,830,328	2,870,717
Real estate, plant and equipment (Note 3)		84,031	177,016	222,399	212,680	201,832	199,273
Intangible assets		13,860	136,975	258,627	277,933	270,130	268,179
Right-to-use assets		0	0	127,694	125,601	111,707	108,542
Other assets (Note 3)		43,370	86,242	120,648	131,736	125,396	121,797
Total assets		779,696	1,310,588	1,505,537	1,495,991	3,539,393	3,568,508
Current liabilities	Before allocation	173,663	226,993	228,135	305,525	460,207	466,218
	After allocation	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Non-current liabilities		6,518	10,736	273,074	275,399	121,148	120,275
Total liabilities	Before allocation	180,181	237,729	501,209	580,924	581,355	586,493
	After allocation	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 1)
Equity attributable to the owner of the parent company		599,515	1,072,859	1,004,328	915,067	1,287,354	1,319,791
Stock capital		440,160	580,160	580,160	580,160	681,116	681,726
Capital reserve		234,624	618,263	649,086	657,872	672,092	675,552
Retained surplus	Before allocation	(55,630)	(114,567)	(206,808)	(289,712)	(24,663)	(7,590)
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 3)
Other rights		(19,639)	(10,997)	(18,110)	(19,639)	(41,191)	(29,897)
Treasury stocks		0	0	0	0	0	0
Non-controlling interest		0	0	0	0	1,670,684	1,662,224
Total equity	Before allocation	599,515	1,072,859	1,004,328	915,067	2,958,038	2,982,015
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 1)

* If the company compiles individual financial reports, it should also prepare a concise balance sheet and comprehensive income statement for the last five years of the individual.

* If the financial information of the international financial reporting standards has been adopted for less than 5 years, the following table should be prepared separately (2) The accounting standards of our Taiwan's enterprises shall be adopted.

Note 1: Any year in which the visa has not been audited by CPA should be indicated.

Note 2: Those who have undergone asset revaluation in the current year should indicate the date of processing and the amount of revaluation and appreciation.

Note 3: As of the date of publication of the annual report, companies that are listed or whose shares have been traded in the business premises of a securities firm

shall disclose the most recent financial information that has been audited by CPA.

Note 4: For the above-mentioned figures after distribution, please fill in the situation in accordance with the resolutions of the Board of Directors or the following annual shareholders' meeting.

Note 5: Those who have been notified by the competent authority that the financial information should be corrected or recompiled by themselves should be compiled in the corrected or recompiled numbers, and indicate their circumstances and reasons.

Note 1: The above financial information has been audited by CPA.

Note 2: There is no proposed surplus distribution from 2017 to 2020.

Note 3: The 2021 loss supplement form has not yet been approved by the shareholders' meeting.

(2) Concise Comprehensive Income Statement-International Financial Reporting
Standards-Consolidated Information
Unit: NT\$ thousand

Item \ Year	Financial information for the last five years (Note 1)					Financial information for the current year as of March 31, 2022 (Note 1)
	2017	2018	2019	2020	2021 (Note 2)	
Operating income	1,429,233	1,460,290	1,412,575	1,576,079	2,011,817	579,352
Operating gross profit	162,128	150,033	141,740	170,694	265,042	77,249
Operating profit (loss)	11,432	(81,657)	(115,686)	(80,265)	(36,037)	2,293
Non-operating income and expenses	(3,496)	16,145	(3,087)	(11,910)	(7,757)	9,498
Net profit before tax (net loss)	7,936	(65,512)	(118,773)	(92,175)	(43,794)	11,791
Continuing business unit Net profit (net loss) for the current period	5,189	(57,744)	(92,695)	(82,495)	(53,381)	8,594
Loss of discontinued units	0	0	0	0	0	0
Net profit (net loss) for the current period	5,189	(57,744)	(92,695)	(82,495)	(53,381)	8,594
Other comprehensive profit or loss for the current period (Net after tax)	(16,745)	7,449	(6,659)	(15,552)	(8,482)	11,294
Total comprehensive profit and loss for the current period	(11,556)	(50,295)	(99,354)	(98,047)	(61,863)	19,888
Net profit (loss) attributable to the owner of the parent company	5,189	(57,744)	(92,695)	(82,495)	(24,119)	17,073
Net loss attributable to non-controlling interest	0	0	0	0	(29,262)	(8,479)
The total comprehensive profit and loss attributable to the owner of the parent company	(11,556)	(50,295)	(99,354)	(98,047)	(32,601)	28,367
Total comprehensive profit and loss attributable to non-controlling interests	0	0	0	0	(29,262)	(8,479)
EPS	0.12	(1.01)	(1.60)	(1.42)	(0.40)	0.25

* If the company compiles individual financial reports, it should also prepare a concise balance sheet and comprehensive income statement for the last five years of the individual.

* If the financial information of the international financial reporting standards has been adopted for less than 5 years, the following table should be prepared separately (2) The accounting standards of our Taiwan's enterprises shall be adopted.

Note 1: Any year in which the visa has not been audited by CPA should be indicated.

Note 2: As of the date of publication of the annual report, companies that are listed or whose shares have been traded in the business premises of a securities firm shall disclose the most recent financial information that has been audited by CPA.

Note 3: The loss of discontinued units is shown as the net amount after deducting income tax.

Note 4: Those who have been notified by the competent authority that the financial information should be corrected or recompiled by themselves, they should be compiled in the corrected or recompiled numbers, and indicate their circumstances and reasons.

Note 1: The above financial information has been audited by CPA.

Note 2: The 2021 loss supplement form has not yet been approved by the shareholders' meeting.

(3) Concise Balance Sheet-International Financial Reporting Standards-Individual Information

Unit: NT\$ thousand

Item \ Year		Financial information for the last five years (Note 1)				
		2017	2018	2019	2020	2021
Current assets		179,906	434,375	298,247	272,630	324,801
Real estate, plant and equipment (Note 3)		82,886	175,887	221,835	212,244	200,199
Intangible assets		13,860	136,975	258,627	277,933	270,130
Right-to-use assets		-	-	122,180	120,868	36,906
Other assets (Note 3)		392,072	458,956	503,798	521,389	838,453
Total assets		668,724	1,206,193	1,404,687	1,405,064	1,670,489
Current liabilities	Before allocation	62,661	122,568	129,207	215,317	329,299
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)
Non-current liabilities		6,548	10,766	271,152	274,680	53,836
Total liabilities	Before allocation	69,209	133,334	400,359	489,997	383,135
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)
Equity attributable to the owner of the parent company		599,515	1,072,859	1,004,328	915,067	1,287,354
Stock capital		440,160	580,160	580,160	580,160	681,116
Capital reserve		234,624	618,263	649,086	657,872	672,092
Retained surplus	Before allocation	(55,630)	(114,567)	(206,808)	(289,712)	(24,663)
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)
Other rights		(19,639)	(10,997)	(18,110)	(33,253)	(41,191)
Treasury stocks		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before allocation	599,515	1,072,859	1,004,328	915,067	1,287,354
	After allocation	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)

Note 1: The above financial information has been audited by CPA.

Note 2: There is no proposed surplus distribution from 2017 to 2020.

Note 3: The 2021 loss supplement form has not yet been approved by the shareholders' meeting.

(4) Concise Comprehensive Income Statement-International Financial Reporting
Standards-Individual Information

Unit: NT\$ thousand

Year Item	Financial information for the last five years (Note 1)				
	2017	2018	2019	2020	2021
Operating income	407,625	428,024	455,905	630,986	708,308
Operating gross profit	47,062	45,994	40,395	69,830	132,078
Operating profit (loss)	(23,732)	(96,533)	(136,904)	(105,014)	(53,222)
Non-operating income and expenses	27,409	29,354	17,797	11,698	33,059
Net profit before tax (net loss)	3,677	(67,179)	(119,107)	(93,316)	(20,163)
Continuing business unit Net profit (net loss) for the current period	5,189	(57,744)	(92,695)	(82,495)	(24,119)
Loss of discontinued units	-	-	-	-	-
Net profit (net loss) for the current period	5,189	(57,744)	(92,695)	(82,495)	(24,119)
Other comprehensive profit or loss for the current period (Net after tax)	(16,745)	7,449	(6,659)	(15,552)	(8,482)
Total comprehensive profit and loss for the current period	(11,556)	(50,295)	(99,354)	(98,047)	(32,601)
Net profit (loss) attributable to the owner of the parent company	5,189	(57,744)	(92,695)	(82,495)	(24,119)
Net loss attributable to non-controlling interest	-	-	-	-	-
The total comprehensive profit and loss attributable to the owner of the parent company	(11,556)	(50,295)	(99,354)	(98,047)	(32,601)
Total comprehensive profit and loss attributable to non-controlling interests	-	-	-	-	-
EPS	0.12	(1.01)	(1.60)	(1.42)	(0.40)

Note 1: The above financial information has been audited by CPA.

2. Concise balance sheet and income statement for the last five years-Taiwan's Financial Accounting Standards

- (1) Concise Balance Sheet-Taiwan's Financial Accounting Standards (Consolidated Statements)
Not applicable
- (2) Concise Balance Sheet-Taiwan's Financial Accounting Standards (Individual Statements)
Not applicable
- (3) Concise Income Statement-Taiwan's Financial Accounting Standards (Consolidated Statements)
Not applicable
- (4) Concise Income Statement-Taiwan's Financial Accounting Standards (individual Statements)
Not applicable
- (5) The name and the audit opinions of the CPAs in the last five years

1. The name and the audit opinions of the CPAs

Year	Firm name	Name of CPAs	Audit opinions
2017	PwC Taiwan	Hsu Ming-Chuan Chih Ping Chun	Unqualified opinion
2018	PwC Taiwan	Hsu Ming-Chuan Chih Ping Chun	Unqualified opinion
2019	PwC Taiwan	Hsu Ming-Chuan Chih Ping Chun	Unqualified opinion
2020	PwC Taiwan	Hsu Ming-Chuan Chih Ping Chun	Unqualified opinion with other paragraphs
2021	PwC Taiwan	Hsu Ming-Chuan Chih Ping Chun	Unqualified opinion with other paragraphs

- 2. If there has been a change of CPAs in the last five years, it is to cooperate with the internal organization adjustment of PwC Taiwan

3. Financial analysis in the last five years

(1) Recent annual financial analysis-merger-adoption of International Financial reporting Standards

Analysis Items (Note 3)		Year (Note (1))	Financial analysis of the last five years					Financial information for the current year as of March 31, 2022 (Note (2))
		2017	2018	2019	2020	2021		
Capital structure (%)	Debt Ratio	23.11	18.14	33.29	38.83	16.43	16.44	
	Long term funds to fixed assets	721.20	612.15	574.37	559.75	1525.63	1,556.80	
Liquidity %	Current Ratio	367.63	401.05	340.22	244.84	615.01	615.75	
	Quick Ratio	305.47	347.37	298.62	215.26	576.08	578.98	
	Interest Guarantee	11.89	(1,487.91)	(24.64)	(14.77)	(3.35)	13.72	
Operating performance	Receivables turnover (time)	5.17	4.99	4.87	5.49	5.34	4.68	
	Average receivables days	70.60	73.14	74.94	66.48	68.35	77.99	
	Inventory turnover (time)	11.94	11.80	12.38	16.31	14.38	12.56	
	Accounts Payable Turnover Ratio (time)	8.54	8.46	7.76	9.47	11.45	10.28	
	Average inventory turnover days	30.57	30.93	29.48	22.37	25.38	29.06	
	Fixed assets turnover (time)	19.73	11.19	7.07	7.25	9.71	11.56	
	Total assets turnover (time)	1.80	1.40	1.00	1.05	0.80	0.65	
Return on investment	Return on total assets (%)	0.73	(5.52)	(6.32)	(5.19)	(1.80)	1.05	
	Return on total shareholders' equity (%)	0.98	(6.91)	(8.93)	(8.60)	(2.76)	1.16	
	Pre-tax income to capital (%) (Note 7)	1.80	(11.29)	(20.47)	(15.89)	(6.43)	1.73	
	Net income to sales (%)	0.36	(3.95)	(6.56)	(5.23)	(2.65)	1.48	
	Earning per shares (NT\$)	0.12	(1.01)	(1.60)	(1.42)	(0.40)	0.25	
Cash flow	Cash flow ratio (%)	(39.61)	2.63	(25.11)	(7.01)	(46.02)	5.67	
	Cash flow adequacy ratio (%)	62.99	(13.38)	(15.76)	(14.28)	(63.51)	(50.18)	

	Cash flow reinvestment ratio(%)	(11.34)	0.52	(4.67)	(1.85)	(4.73)	0.59
Leverage	Operating leverage	2.24	0.75	0.54	0.28	(0.93)	8.05
	Financial leverage	1.07	1.00	0.96	0.93	0.78	1.68

Please explain the reasons for the changes in various financial ratios in the last two years. (If the increase or decrease does not reach 20%, the analysis will be exempted)

1. Debt ratio: Due to the increase in the consolidated assets of new subsidiaries in 2021, the debt ratio decreased.
2. Long-term capital-to-fixed asset ratio: The ratio increased due to the increase in the consolidated assets of new subsidiaries in 2021.
3. Current ratio: Due to the merger of new subsidiaries in 2021 and the increase in inventory and accounts receivable, the current ratio has increased.
4. Quick ratio: Due to the merger of new subsidiaries and the increase in inventory in 2021, the quick ratio has increased.
5. Interest guarantee: Due to the decrease in losses in the current period in 2021 and the increase in interest expenses, the interest guarantee is negative and decreased.
6. Operating performance analysis: It is due to the increase in revenue growth and purchases in 2021, resulting in an increase in the average payable turnover, an increase in the fixed assets turnover, and an increase in the total assets turnover.
7. Return on investment analysis: Due to the impact of increased demand for electronic components and memory end customers in 2021, the gross profit margin has increased, so the profit margin ratios in 2021 have increased compared to the previous period.
8. Cash flow: Due to the increase in revenue growth and accounts receivable in 2021, the net cash outflow from operating activities increased compared to the previous period, so the ratios decreased compared to the previous period.

* If the company compiles the individual financial reports, it should separately prepare an analysis of the company's individual financial ratios.

* If the financial information of the international financial reporting standards has been adopted for less than 5 years, the following table (2) shall be prepared separately for the financial information of the accounting standards of our country's enterprises.

Note 1: The year is not audited by CPA should be indicated.

Note 2: As of the date of publication of the annual report, if a company listed or whose shares have been traded in the business premises of a securities firm has the most recent financial information that has been audited by a CPA, it should be analyzed.

Note 3: The following calculation formula should be listed at the end of the annual report:

Note (1): The above financial information from 2017 to 2021 has been audited by CPA.

Note (2): It was reviewed by CPA in the first quarter of 2021.

Note (3): The calculation formula of the analysis item is as follows:

1. Financial structure

(1) Debt ratio = total liabilities/total assets.

(2) The ratio of long-term funds to real estate, plant and equipment = (total equity + non-current liabilities)/ net real estate, plant and equipment.

2. Liquidity

(1) Current ratio = current assets/current liabilities.

- (2) Quick ratio = $(\text{current assets} - \text{inventory} - \text{prepaid expenses}) / \text{current liabilities}$.
- (3) Interest guarantee = $\text{net profit before income tax and interest expense} / \text{current interest expense}$.

3. Operation performance

- (1) The receivable turnover (including accounts receivable and bills receivable due to business) = $\text{net sales} / \text{average balance of receivables for each period (including accounts receivable and bills receivable due to business)}$.
- (2) The average collection days = $365 / \text{The receivable turnover}$
- (3) Inventory turnover = $\text{cost of sales} / \text{average inventory}$.
- (4) Average payable turnover (including accounts payable and bills payable due to business) = $\text{cost of sales} / \text{average balance of payables for each period (including accounts payable and bills payable due to business)}$.
- (5) Average inventory turnover = $365 / \text{Inventory turnover}$
- (6) Fixed assets turnover = $\text{net sales} / \text{average net fixed assets}$
- (7) Total assets turnover = $\text{net sales} / \text{average total assets}$

4. Return on investment

- (1) Return on total assets = $[\text{after-tax profit and loss} + \text{interest expense} \times (1 - \text{tax rate})] / \text{Average total assets}$.
- (2) Return on equity = $\text{after-tax profit and loss} / \text{average total equity}$.
- (3) Net income to sales = $\text{after-tax profit or loss} / \text{net sales}$.
- (4) Earnings per share = $(\text{profit or loss attributable to the owners of the parent company} - \text{special dividend}) / \text{Weighted average number of issued shares}$. (Note 4)

5. Cash flow

- (1) Cash flow ratio = $\text{net cash flow from operating activities} / \text{current liabilities}$.
- (2) Cash flow adequacy ratio = $\text{net cash flow from operating activities in the last five years} / \text{the last five years (capital expenditure} + \text{inventory increase} + \text{cash dividend)}$.
- (3) Cash reinvestment ratio = $(\text{net cash flow from operating activities} - \text{cash dividends}) / (\text{Gross fixed assets} + \text{long-term investment} + \text{other non-current assets} + \text{operating capital})$. (Note 5)

6. Leverage

- (1) Operating leverage = $(\text{net operating income} - \text{variable operating costs and expenses}) / \text{operating profit}$ (Note 6).
- (2) Financial leverage = $\text{operating profit} / (\text{operating profit} - \text{interest expense})$.

Note 4: The calculation formula for the above-mentioned earnings per share should pay special attention to the following matters when measuring :

1. The weighted average number of common shares shall prevail, not based on the number of issued shares at the end of the year.
2. Traders who have cash capital increases or treasury stocks should consider their circulation period and calculate the weighted average number of shares.
3. Where there is a surplus to capital increase or a capital reserve to capital increase, when calculating the surplus per share for the previous year and half-year, it shall be adjusted retroactively in accordance with the proportion of capital increase, and the issuance period of the capital increase shall not be considered.
4. If the special shares are non-convertible cumulative special shares, the current year's dividends (whether paid or not) shall be deducted from the net profit after tax or increase the net loss after tax. If the special stock is of a non-cumulative nature, in the case of net profit after tax, the special stock dividend shall be deducted from the net profit after tax; if it is a loss, there is no need to adjust.

Note 5: Cash flow analysis should pay special attention to the following matters when measuring :

1. Net cash flow from operating activities refers to the net cash inflow from operating

activities in the cash flow statement.

2. Capital expenditure refers to the annual cash outflow of capital investment.
3. The increase in inventory is only counted when the balance at the end of the period is greater than that of at the beginning of the period. If the inventory is reduced at the end of the year, it will be calculated as zero.
4. Cash dividends include cash dividends on common shares and special shares.
5. The gross amount of real estate, plant and equipment refers to the total amount of real estate, plant and equipment before deducting accumulated depreciation.

Note 6: Issuers should divide various operating costs and operating expenses into fixed and variable according to their nature. If estimates or subjective judgments are involved, they should pay attention to their rationality and maintain consistency.

Note 7: If the company's shares have no denomination or the denomination of each share is not NT\$10, the calculation of the paid-in capital ratio will be changed to the calculation of the equity ratio attributable to the owners of the parent company on the balance sheet of assets and liabilities.

(B) Latest Annual Financial Analysis - Individual - International Financial Reporting

Analytical items (Note 3)		Recent Year Financial Analysis				
		2017	2018	2019	2020	2021
Financial Structure (%)	Ratio of liabilities to assets	10.35	11.05	28.50	34.87	22.94
	Ratio of long-term capital to property, plant and equipment	731.20	616.09	574.97	560.56	669.93
Liquidity analysis (%)	Current ratio	287.11	354.40	230.83	126.62	98.63
	Quick ratio	234.70	324.17	200.70	102.91	72.96
	Interest coverage ratio	6.04	(1,525.80)	(63.35)	(26.58)	(1.25)
Operating Ability	Receivables turnover(times)	4.31	4.61	4.34	6.00	5.97
	Average collection period (days)	84.63	79.14	84.11	60.83	61.10
	Inventory turnover (times)	10.97	12.13	(12.64)	14.35	9.31
	Payables turnover (times)	6.22	6.27	5.46	7.53	8.21
	Average sales days (days)	33.28	30.09	28.87	25.44	39.21
	Property, plant and equipment turnover (times)	5.74	3.31	2.29	2.91	3.43
	Total assets turnover (times)	0.60	0.46	0.35	0.45	0.46
Profitability	Return on total assets (%)	0.85	(6.16)	(6.98)	(5.67)	(1.08)
	Return on shareholders' equity (%)	0.98	(6.91)	(8.93)	(8.60)	(2.19)
	Pre-tax net profit as a percentage of paid-in capital (%)	0.84	(11.58)	(20.53)	(16.08)	(2.96)
	Profit (loss) margin (%)	1.27	(13.49)	(20.33)	(13.07)	(3.41)
	Earnings per share (NT\$)	0.12	(1.01)	(1.60)	(1.42)	(0.40)
Cash flow	Cash flow ratio (%)	(46.57)	(24.14)	(70.17)	(33.58)	(24.20)
	Cash flow adequacy ratio (%)	(86.10)	(31.84)	(34.97)	(39.24)	(60.65)
	Cash reinvestment ratio (%)	(4.51)	(2.62)	(7.51)	(6.35)	(5.76)
Leverage	Operating leverage	0.59	0.86	0.70	0.56	0.08
	Financial leverage	0.97	1.00	0.99	0.97	0.89

Reasons for changes in financial ratios in the recent two years:

1. Ratio of liabilities to assets: The increases in stock, account receivable of 2021 and decrease in loan resulted in creased in ratio of liabilities to assets.
2. Current ratio: The convertible corporate bond due in one year in 2021 was treated as current liabilities, resulting in a decrease in the current ratio.
3. Quick ratio: The convertible corporate bond due in one year in 2021 was treated as current liabilities, resulting in a decrease in the quick ratio.
4. Interest coverage ratio: The decrease in loss and increase in interest in 202, resulting in a decrease in the negative interest coverage ratio.
5. Operating Ability analysis: Customers delayed the delivery of the products in 2021 to the following year, which lead to an increase in inventory, so the inventory turnover decreased, and the average sales days increased in 2021.
6. Profitability analysis: As the income and gross profit increased in 2021, all ratios in profitability analysis in 2021 has increased to last period.
7. Cash flow: The increases in stock and current liability in 2021, resulting decreases in all ratios to last period.

Note 1: The above financial information in 2017 - 2021 were audited by CPA.

Note 2: Th e calculation formulas for the analysis items are as follows:註 2:

Financial structure

① Liabilities to assets ratio = Total liabilities / Total assets

② Long-term capital to fixed assets ratio = (Total shareholders' equity + Long-term liabilities) / Net fixed assets.

Liquidity analysis

① Current ratio = Current assets / Current liabilities

② Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities

③ Interest coverage ratio = Net income before income tax and interest expenses / Interest expenses

Operating ability

① Receivables turnover (including accounts and notes receivable) = Net sales / Average accounts receivable (including accounts and notes receivable)

② Average collection days = 365 / Accounts receivable turnover

③ Inventory turnover = Costs of goods sold / Average inventory

④ Payables turnover (including accounts and notes payable) = Costs of goods sold / Average accounts payable (including accounts and notes payable)

⑤ Average sales days = 365 / Inventory turnover

⑥ Fixed assets turnover ratio = Net sales / Net fixed assets

⑦ Total assets turnover ratio = Net sales / Total assets

(4) Profitability analysis

① Return on total assets = $\left[\text{Profit or loss after tax} + \text{interest expense} \times (1 - \text{tax rate}) \right] / \text{average total assets}$.

② Return on shareholders' equity = $\text{Profit or loss after tax} / \text{Average Shareholders' net equity}$.

③ Profit (loss) margin = $\text{Profit or loss after tax} / \text{net sales}$.

④ Earnings per share = $(\text{Net profit after tax} - \text{special share dividend}) / \text{Weighted average of outstanding shares}$.

Cash flow

① Cash flow ratio = $\text{Cash flows from operating activities} / \text{Current liabilities}$

② Cash flow adequacy ratio = $\text{Net cash flow from operating activities for the past 5 years} / (\text{Capital expenditures} + \text{Increase in inventory} + \text{Cash dividends}) \text{ for the past 5 years}$

③ Cash reinvestment ratio = $(\text{Net cash flow from operating activities} - \text{Cash dividends}) / (\text{Gross fixed assets} + \text{Long-term Investment} + \text{Other assets} + \text{Working capital})$

Leverage:

① Operating leverage = $(\text{Net sales} - \text{Variable operating costs and expenses}) / \text{Operating income}$

② Financial leverage = $\text{Operating income} / (\text{Operating income} - \text{Interest expenses})$

(C) Latest Annual Financial Analysis - Consolidated- Generally Accepted Accounting Principles Not applicable

(D) Latest Annual Financial Analysis - Individual- Generally Accepted Accounting Principles Not applicable

4. 2021 Audit Committee Review Report

MetaTech (AP) Inc.

Audit Committee Review Report

The Board of Directors has sent the Company's 2021 individual and consolidated financial reports which have been audited by CPAs of PricewaterhouseCoppers Hsu, Ming-chuan and Chi, Ping-chun, together with the business report and the profit and loss appropriation proposal to the Committee. The Audit Committee considered that there is no discrepancy after review. In accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, the report is submitted and reported for approval.

Sincerely

The Company's 2022 shareholders' meeting

MetaTech (AP) Inc.

Convener of Audit Committee: Wang, Wen Chu

March 25, 2022

5. Individual financial statements and Accountants' Review Report:

See pages 231 to 310 for details.

6. The parent company's consolidated financial statements audited by the accountants in the most recent year:

See pages 311 to 379 for details

7. The Company and its affiliates have experienced financial difficulties in the most recent year and as of the publication date of the annual report:

As of the date of publication of the annual report, the Company has not encountered the above situation.

METATECH(AP) INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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, 2021 and 2020, 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, based on our audits and the report of other auditors (please refer to the *Other matter* section), 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, 2021 and 2020, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, 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(28). For details of operating revenue, please refer to Note 6(16).

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 assets. Revenue is recognised when the Company transfers promised goods to customers and the performance obligation is satisfied. The Company's warehouses are located in Shanghai, and a consignee obtains control of the assets when a consignee picks up the goods, but the timing of asset transfer is not fixed and management recognises revenue based on the reports of inventory movement provided by the hub custodians. As the information process, recording and maintenance of the reports were done manually, it may lead to improper revenue recognition or a discrepancy between physical inventory quantities in the hubs and the quantities in accounting records. 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. Understood the warehouses' process of collection, management and shipping, assessed and tested relevant internal controls, including randomly checking whether the product name, quantity and amount in the reports provided by hub custodians 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 custodians 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.

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 \$85,117 thousand and \$6,141 thousand, respectively, as at December 31, 2021. 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 and assessed the individual assessment used 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 – Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT \$27,417 thousand, constituting 2% of the total assets as at December 31, 2020, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to NT \$5,583 thousand, constituting 6% of the total comprehensive income for the years then ended.

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.

Auditors' 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 the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2022

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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

METATECH(AP) INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 52,339	3	\$ 107,916	8
1136	Current financial assets at amortised cost	6(2) and 8	11,017	1	13,015	1
1150	Notes receivable, net	6(3)	603	-	237	-
1170	Accounts receivable, net	6(3)	138,635	8	97,660	7
1180	Accounts receivable - related parties	7	439	-	-	-
1200	Other receivables		6,577	-	2,196	-
1210	Other receivables - related parties	7	29,970	2	81	-
1220	Current income tax assets		-	-	8	-
130X	Inventories	6(4)	78,976	5	44,991	3
1410	Prepayments		5,743	-	6,053	-
1470	Other current assets		502	-	473	-
11XX	Current Assets		<u>324,801</u>	<u>19</u>	<u>272,630</u>	<u>19</u>
Non-current assets						
1550	Investments accounted for under equity method	6(5)	741,752	45	421,445	30
1600	Property, plant and equipment	6(6) and 8	200,199	12	212,244	15
1755	Right-of-use assets	6(7)	36,906	2	120,868	9
1780	Intangible assets	6(8)	270,130	16	277,933	20
1840	Deferred income tax assets	6(20)	91,482	6	88,798	6
1900	Other non-current assets		5,219	-	11,146	1
15XX	Non-current assets		<u>1,345,688</u>	<u>81</u>	<u>1,132,434</u>	<u>81</u>
1XXX	Total assets		<u>\$ 1,670,489</u>	<u>100</u>	<u>\$ 1,405,064</u>	<u>100</u>

(Continued)

METATECH(AP) INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 45,226	3	\$ 111,000	8
2130	Current contract liabilities	6(16)	36,849	2	869	-
2150	Notes payable		1,422	-	324	-
2170	Accounts payable		69,823	4	68,773	5
2180	Accounts payable - related parties	7	257	-	88	-
2200	Other payables		23,707	2	16,456	1
2220	Other payables - related parties	7	191	-	209	-
2250	Provisions for liabilities - current		-	-	4,433	-
2280	Current lease liabilities	6(23)	5,316	-	12,807	1
2320	Long-term liabilities, current portion	6(10)	146,200	9	-	-
2330	Temporary credits		308	-	358	-
21XX	Current Liabilities		<u>329,299</u>	<u>20</u>	<u>215,317</u>	<u>15</u>
Non-current liabilities						
2530	Corporate bonds payable	6(10)	-	-	147,408	11
2570	Deferred income tax liabilities	6(20)	18,325	1	15,533	1
2580	Non-current lease liabilities	6(23)	35,181	2	111,409	8
2600	Other non-current liabilities		330	-	330	-
25XX	Non-current liabilities		<u>53,836</u>	<u>3</u>	<u>274,680</u>	<u>20</u>
2XXX	Total Liabilities		<u>383,135</u>	<u>23</u>	<u>489,997</u>	<u>35</u>
Equity						
Share capital		6(13)				
3110	Share capital - common stock		681,116	41	580,160	41
Capital surplus		6(14)				
3200	Capital surplus		672,092	40	657,872	47
Retained earnings		6(15)				
3350	Accumulated deficit		(24,663)	(2)	(289,712)	(21)
Other equity interest						
3400	Other equity interest		(41,191)	(2)	(33,253)	(2)
3XXX	Total equity		<u>1,287,354</u>	<u>77</u>	<u>915,067</u>	<u>65</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant subsequent event		11				
3X2X	Total liabilities and equity		<u>\$ 1,670,489</u>	<u>100</u>	<u>\$ 1,405,064</u>	<u>100</u>

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

METATECH(AP) INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except loss per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(16) and 7	\$ 708,308	100	\$ 630,986	100
5000 Operating costs	6(4)(18) and 7	(576,230)	(82)	(561,156)	(89)
5950 Net operating margin		<u>132,078</u>	<u>18</u>	<u>69,830</u>	<u>11</u>
Operating expenses	6(18)(19)				
6100 Selling expenses		(74,491)	(11)	(59,181)	(9)
6200 General and administrative expenses		(45,312)	(6)	(53,641)	(9)
6300 Research and development expenses		(65,497)	(9)	(62,022)	(10)
6000 Total operating expenses		<u>(185,300)</u>	<u>(26)</u>	<u>(174,844)</u>	<u>(28)</u>
6900 Operating loss		<u>(53,222)</u>	<u>(8)</u>	<u>(105,014)</u>	<u>(17)</u>
Non-operating revenue and expenses					
7100 Interest income		181	-	172	-
7010 Other income		9,239	1	1,273	-
7020 Other gains and losses	6(17)	(290)	-	(2,429)	-
7050 Finance costs		(8,974)	(1)	(5,931)	(1)
7070 Share of profit of associates and joint ventures accounted for using equity method, net		<u>32,903</u>	<u>5</u>	<u>18,613</u>	<u>3</u>
7000 Total non-operating revenue and expenses		<u>33,059</u>	<u>5</u>	<u>11,698</u>	<u>2</u>
7900 Loss before income tax		<u>(20,163)</u>	<u>(3)</u>	<u>(93,316)</u>	<u>(15)</u>
7950 Income tax (expense) benefit	6(20)	(3,956)	(1)	10,821	2
8200 Loss for the year		<u>(\$ 24,119)</u>	<u>(4)</u>	<u>(\$ 82,495)</u>	<u>(13)</u>
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		(\$ 680)	-	(\$ 511)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	<u>136</u>	<u>-</u>	<u>102</u>	<u>-</u>
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>(544)</u>	<u>-</u>	<u>(409)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(11,650)	(2)	(17,202)	(3)
8399 Income tax relating to the components of other comprehensive income	6(20)	<u>3,712</u>	<u>1</u>	<u>2,059</u>	<u>-</u>
8360 Components of other comprehensive loss that will be reclassified to profit or loss		<u>(7,938)</u>	<u>(1)</u>	<u>(15,143)</u>	<u>(3)</u>
8300 Other comprehensive loss for the year		<u>(\$ 8,482)</u>	<u>(1)</u>	<u>(\$ 15,552)</u>	<u>(3)</u>
8500 Total comprehensive loss for the year		<u>(\$ 32,601)</u>	<u>(5)</u>	<u>(\$ 98,047)</u>	<u>(16)</u>
Basic loss per share	6(21)				
9750 Total basic loss per share		<u>(\$ 0.40)</u>		<u>(\$ 1.42)</u>	
9850 Total diluted loss per share		<u>(\$ 0.40)</u>		<u>(\$ 1.42)</u>	

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
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	<u>Capital surplus</u>					Accumulated deficit	Financial statements translation differences of foreign operations	Total equity	
		Share capital - common stock	Additional paid-in capital	Changes in ownership interests in subsidiaries	Employee share options	Stock warrants				Others
<u>2020</u>										
Balance at January 1, 2020		\$ 580,160	\$ 601,205	\$ -	\$ 42,232	\$ 5,565	\$ 84	(\$ 206,808)	(\$ 18,110)	\$ 1,004,328
Loss for the year		-	-	-	-	-	-	(82,495)	-	(82,495)
Other comprehensive loss		-	-	-	-	-	-	(409)	(15,143)	(15,552)
Total comprehensive loss		-	-	-	-	-	-	(82,904)	(15,143)	(98,047)
Share-based payments	6(12)	-	-	-	8,786	-	-	-	-	8,786
Balance at December 31, 2020		\$ 580,160	\$ 601,205	\$ -	\$ 51,018	\$ 5,565	\$ 84	(\$ 289,712)	(\$ 33,253)	\$ 915,067
<u>2021</u>										
Balance at January 1, 2021		\$ 580,160	\$ 601,205	\$ -	\$ 51,018	\$ 5,565	\$ 84	(\$ 289,712)	(\$ 33,253)	\$ 915,067
Loss for the year		-	-	-	-	-	-	(24,119)	-	(24,119)
Other comprehensive loss		-	-	-	-	-	-	(544)	(7,938)	(8,482)
Total comprehensive loss		-	-	-	-	-	-	(24,663)	(7,938)	(32,601)
Share-based payments	6(12)	-	993	-	2,995	-	-	-	-	3,988
Changes in the equity of the subsidiary based on the shareholding ratio		-	-	54	-	-	-	-	-	54
Capital surplus used to cover accumulated deficits	6(14)(15)	-	(289,712)	-	-	-	-	289,712	-	-
Issuance of common stock	6(14)	100,000	295,000	-	-	-	-	-	-	395,000
Exercise of employee stock options	6(13)(14)	350	2,435	-	(739)	-	-	-	-	2,046
Conversion of convertible bonds to share common stock	6(13)	606	3,335	-	-	(141)	-	-	-	3,800
Balance at December 31, 2021		\$ 681,116	\$ 613,256	\$ 54	\$ 53,274	\$ 5,424	\$ 84	(\$ 24,663)	(\$ 41,191)	\$ 1,287,354

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

METATECH(AP) INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 20,163)	(\$ 93,316)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right of use assets)	6(6)(7)(18)	28,389	31,043
Amortization expense	6(18)	8,476	642
Interest expense		6,382	3,384
Interest expense of bonds discount amortization		2,592	2,547
Interest income		(181)	(172)
Share of profit of associates and joint ventures accounted for using equity method		(32,903)	(18,613)
Share based compensation cost	6(12)	3,988	8,786
Loss on disposal of property, plant and equipment	6(6)	-	315
Gains arising from lease modifications		(1,154)	(4)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(366)	681
Accounts receivable		(40,975)	13,844
Accounts receivable - related parties		(439)	-
Other receivables		(4,381)	103
Other receivables - related parties		(29,889)	(59)
Inventories		(33,985)	11,757
Prepayments		310	(362)
Other current assets		(30)	(235)
Net defined benefit assets	6(11)	(4)	(22)
Changes in operating liabilities			
Contract liabilities		35,979	745
Notes payable		1,098	-
Accounts payable		1,050	(10,505)
Accounts payable - related parties		169	(151)
Other payables		7,046	4,351
Other payables - related parties		(18)	58
Provisions for liabilities - current		(4,433)	-
Other current liabilities		(50)	(412)
Cash outflow generated from operations		(73,492)	(69,109)
Interest received		181	172
Interest paid		(6,382)	(3,384)
Interest taxes paid		8	21
Net cash flows used in operating activities		(79,685)	(72,300)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost	6(2)	1,999	(812)
Acquisition of investments accounted for using equity method		(299,000)	(1,000)
Acquisition of property, plant and equipment	6(6)(22)	(3,912)	(7,686)
Proceeds from disposal of property, plant and equipment	6(6)	-	385
Acquisition of intangible assets	6(8)	-	(19,306)
Decrease (increase) in refundable deposits		4,111	(107)
Increase in prepayment for equipment		(444)	(1,490)
Increase in other non-current assets		(477)	(458)
Net cash flows used in investing activities		(297,723)	(30,474)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		674,460	318,000
Repayments of short-term borrowings		(740,234)	(227,000)
Repayment of principal portion of lease liabilities	6(7)	(9,441)	(12,719)
Increase in guarantee deposit received		-	300
Proceeds from issuance of shares	6(14)	395,000	-
Exercise of employee stock	6(13)(14)	2,046	-
Net cash flows from financing activities		321,831	78,581
Net decrease in cash and cash equivalents		(55,577)	(24,193)
Cash and cash equivalents at beginning of year	6(1)	107,916	132,109
Cash and cash equivalents at end of year	6(1)	\$ 52,339	\$ 107,916

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

METATECH(AP) INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Metatech (AP) Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in September 1998. The Company is primarily engaged in wholesale and retail of electronic products and equipment as well as development and operation of biomedicine related business. The shares of the Company were officially listed on the Taipei Exchange on June 3, 2004 as approved by the Financial Supervisory Commission.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorised for issuance by the Board of Directors on March 25, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment:proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Defined benefit assets recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange

rate at the date of that balance sheet;

- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(12) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over

the entity.

- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost. The Company's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.
- E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- I. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- L. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.
- M. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 ~ 50 years
Machinery and equipment	3 ~ 10 years
Transportation equipment	3 ~ 5 years
Office equipment	3 ~ 5 years
Leasehold improvements	3 ~ 10 years
Other equipment	3 ~ 5 years

(14) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(15) Intangible assets

- A. The intangible assets are stated at cost.
- B. The technical skills acquired from an external party are not yet available for use, and therefore are not amortised. It will be tested for impairment annually.

(16) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(17) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of goods and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(20) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in

accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Provisions

The Company’s provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as

compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on

a net basis or realise the asset and settle the liability simultaneously.

(26) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

Sales of goods

A The Company sells electronic products and equipment as an agent; and is engaged in the cell production business. Sales are recognised when control of the products has transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2021, the carrying amount of inventories was \$78,976.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 98	\$ 100
Checking accounts and demand deposits	<u>52,241</u>	<u>107,816</u>
	<u>\$ 52,339</u>	<u>\$ 107,916</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits maturing in excess of three months	\$ 9,013	\$ 9,013
Reserve account for demand deposits	<u>2,004</u>	<u>4,002</u>
	<u>\$ 11,017</u>	<u>\$ 13,015</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	<u>\$ 73</u>	<u>\$ 86</u>

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company were \$11,017 and \$13,015, respectively.

C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(3) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 603	\$ 237
Accounts receivable	\$ 138,635	\$ 97,660

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 127,452	\$ 338	\$ 96,385	\$ 237
Up to 30 days	8,791	265	1,273	-
31 to 90 days	2,392	-	2	-
Over 90 days	-	-	-	-
	<u>\$ 138,635</u>	<u>\$ 603</u>	<u>\$ 97,660</u>	<u>\$ 237</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$139,238, \$97,897, and \$112,422, respectively.

C. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were \$603 and \$237; \$138,635 and \$97,660, respectively.

D. The Company does not hold any collateral as security.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 10,936	(\$ 913)	\$ 10,023
Work in progress	12,154	-	12,154
Semi-finished goods	8,611	-	8,611
Finished goods	1,168	-	1,168
Merchandises	52,248	(5,228)	47,020
	<u>\$ 85,117</u>	<u>(\$ 6,141)</u>	<u>\$ 78,976</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 11,752	(\$ 140)	\$ 11,612
Work in progress	1,325	-	1,325
Semi-finished goods	708	-	708
Finished goods	283	-	283
Merchandises	34,108	(3,045)	31,063
	<u>\$ 48,176</u>	<u>(\$ 3,185)</u>	<u>\$ 44,991</u>

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 573,193	\$ 559,065
Loss on decline in market value	2,956	1,978
Loss on disposal of assets	81	118
Gain on physical inventory	-	(5)
Others	-	-
	<u>\$ 576,230</u>	<u>\$ 561,156</u>

(5) Investments accounted for using equity method

	December 31, 2021	December 31, 2020
Subsidiaries:		
MetaTech Investment Holding Co., Ltd.	\$ 424,689	\$ 390,741
LOCUS CELL CO., LTD	294,734	937
Chienhwa Travel Service Co., Ltd.	1,683	2,350
Subtotal	<u>\$ 721,106</u>	<u>\$ 394,028</u>
Associates:		
Up Cell Biomedical Inc.	20,646	27,417
Subtotal	<u>20,646</u>	<u>27,417</u>
	<u>\$ 741,752</u>	<u>\$ 421,445</u>

A. Subsidiaries

Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2021.

B. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Up Cell Biomedical Inc.	Taiwan	25.38%	25.38%	Note	Equity method

Note: The Company serves as a legal person director of Up Cell Biomedical Inc. and was elected as the Chairman of the company.

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	<u>Up Cell Biomedical Inc.</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 49,004	\$ 79,105
Non-current assets	37,930	39,096
Current liabilities	(3,397)	(6,703)
Non-current liabilities	(2,211)	(3,495)
Total net assets	<u>\$ 81,326</u>	<u>\$ 108,003</u>
Share in associate's net assets	<u>\$ 20,646</u>	<u>\$ 27,417</u>

Statement of comprehensive income

	<u>Up Cell Biomedical Inc.</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ -	\$ -
Loss for the period from continuing operations	(26,677)	(21,997)
Loss for the period from discontinued operations	-	-
Other comprehensive income, net o tax	-	-
Total comprehensive loss	<u>(\$ 26,677)</u>	<u>(\$ 21,997)</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

(6) Property, plant and equipment

		2021							
		Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
At January 1									
Cost		\$ 17,209	\$ 147,199	\$ 62,273	\$ 5,453	\$ 27,735	\$ 19,409	\$ 2,121	\$ 281,399
Accumulated depreciation		-	(22,481)	(13,311)	(2,968)	(19,932)	(8,803)	(1,660)	(69,155)
		<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,485</u>	<u>\$ 7,803</u>	<u>\$ 10,606</u>	<u>\$ 461</u>	<u>\$ 212,244</u>
Opening net book amount as at January 1									
		\$ 17,209	\$ 124,718	\$ 48,962	\$ 2,485	\$ 7,803	\$ 10,606	\$ 461	\$ 212,244
Additions		-	-	3,062	-	1,056	-	-	4,118
Disposal		-	-	1,389	-	-	-	-	1,389
Depreciation charge		-	(5,885)	(6,945)	(909)	(2,532)	(1,224)	(57)	(17,552)
Closing net book amount as at December 31		<u>\$ 17,209</u>	<u>\$ 118,833</u>	<u>\$ 46,468</u>	<u>\$ 1,576</u>	<u>\$ 6,327</u>	<u>\$ 9,382</u>	<u>\$ 404</u>	<u>\$ 200,199</u>
At December 31									
Cost		\$ 17,209	\$ 147,199	\$ 66,724	\$ 5,453	\$ 28,482	\$ 12,222	\$ 2,121	\$ 279,410
Accumulated depreciation		-	(28,366)	(20,256)	(3,877)	(22,155)	(2,840)	(1,717)	(79,211)
		<u>\$ 17,209</u>	<u>\$ 118,833</u>	<u>\$ 46,468</u>	<u>\$ 1,576</u>	<u>\$ 6,327</u>	<u>\$ 9,382</u>	<u>\$ 404</u>	<u>\$ 200,199</u>
		2020							
		Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
At January 1									
Cost		\$ 17,209	\$ 147,199	\$ 57,428	\$ 5,453	\$ 26,266	\$ 19,409	\$ 2,061	\$ 275,025
Accumulated depreciation		-	(16,597)	(7,805)	(2,059)	(17,742)	(7,579)	(1,408)	(53,190)
		<u>\$ 17,209</u>	<u>\$ 130,602</u>	<u>\$ 49,623</u>	<u>\$ 3,394</u>	<u>\$ 8,524</u>	<u>\$ 11,830</u>	<u>\$ 653</u>	<u>\$ 221,835</u>
Opening net book amount as at January 1									
		\$ 17,209	\$ 130,602	\$ 49,623	\$ 3,394	\$ 8,524	\$ 11,830	\$ 653	\$ 221,835
Additions		-	-	6,045	-	1,604	-	60	7,709
Disposal		-	-	(700)	-	-	-	-	(700)
Depreciation charge		-	(5,884)	(6,006)	(909)	(2,325)	(1,224)	(252)	(16,600)
Closing net book amount as at December 31		<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,485</u>	<u>\$ 7,803</u>	<u>\$ 10,606</u>	<u>\$ 461</u>	<u>\$ 212,244</u>
At December 31									
Cost		\$ 17,209	\$ 147,199	\$ 62,273	\$ 5,453	\$ 27,735	\$ 19,409	\$ 2,121	\$ 281,399
Accumulated depreciation		-	(22,481)	(13,311)	(2,968)	(19,932)	(8,803)	(1,660)	(69,155)
		<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,485</u>	<u>\$ 7,803</u>	<u>\$ 10,606</u>	<u>\$ 461</u>	<u>\$ 212,244</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Leasing arrangements - lessee

A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise of laboratories, parking spaces and some office premises. Low-value assets comprise printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ -	\$ 67,268
Buildings	36,621	53,318
Transportation equipment	285	282
	<u>\$ 36,906</u>	<u>\$ 120,868</u>

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 1,869	\$ 3,737
Buildings	8,630	10,298
Transportation equipment	338	408
	<u>\$ 10,837</u>	<u>\$ 14,443</u>

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets amounted to \$341 and \$13,504, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,294	\$ 1,949
Expense on short-term lease contracts	1,008	75
Expense on leases of low-value assets	95	20

F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$11,838 and \$14,763, respectively.

(8) Intangible assets

	<u>2021</u>	<u>2020</u>
	<u>Technical skills (Notes 1 and 2)</u>	<u>Technical skills (Notes 1 and 2)</u>
At January 1		
Cost	\$ 277,933	\$ 258,627
Accumulated amortisation	-	-
	<u>\$ 277,933</u>	<u>\$ 258,627</u>
Opening net book amount as at January 1	\$ 277,933	\$ 258,627
Additions - acquired separately	-	19,306
Amortisation charge	(7,803)	-
Closing net book amount as at December 31	<u>\$ 270,130</u>	<u>\$ 277,933</u>

	<u>2021</u>	<u>2020</u>
	Technical skills (Notes 1 and 2)	Technical skills (Notes 1 and 2)
At December 31		
Cost	\$ 277,933	\$ 277,933
Accumulated amortisation	(7,803)	-
	<u>\$ 270,130</u>	<u>\$ 277,933</u>

Note 1: The Company's technical skills are not yet available for use, and therefore are not amortised. It will be amortised on a straight-line basis over their estimated useful life upon being available for use. In accordance with IAS 36, the intangible assets that are not yet available for use should at least be tested for impairment annually by comparing its recoverable amount and the carrying amount.

Note 2: The information about the intangible assets in terms of the capital expenditure contracted for at the balance sheet date but not yet incurred is provided in Note 9(2)C.

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ 27,266	1.32%~1.35%	None
Bank secured borrowings	18,000	1.35%	Note 8
	<u>\$ 45,266</u>		
<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ 65,000	1.32%~1.75%	None
Bank secured borrowings	46,000	1.35%~1.62%	Note 8
	<u>\$ 111,000</u>		

(10) Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds payable	\$ 150,000	\$ 150,000
Less: Conversion of convertible bonds to share common stock	(3,800)	-
Less: Discount on bonds payable	-	(2,592)
	146,200	147,408
Less: Current portion or exercise of put options	(146,200)	-
	<u>\$ -</u>	<u>\$ 147,408</u>

A. The terms of the third domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$150 million, 0%, third domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (January 9, 2019 ~ January 9, 2022) and will be redeemed in cash at face value at the maturity date.

The bonds were listed on the Taipei Exchange on January 9, 2019.

- (b) The Company commissioned the Taiwan Business Bank Co., Ltd. to offer a guarantee for its convertible bonds. The guarantee duration is from the date that the borrowing amounts of the convertible bonds are fully collected to the date that the principal, interests and subordinated liabilities of the bonds are fully repaid. Except for the principal, the guarantee also covers interests and all subordinated liabilities, including the delay interest and all payments required to be made in accordance with the terms of bonds issuance and conversion when exercising the early redemption of the bonds by the issuing companies or foreign issuers.
 - (c) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue (April 10, 2019) to the maturity date (January 9, 2022), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (d) The conversion price of the bonds, which was NTD 63.30 (in dollars) at the issuance, is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.
 - (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue (April 10, 2019) to 40 days before the maturity date (November 30, 2021), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of the third convertible bonds, the equity conversion options amounting to \$5,565 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss - non-current' in net amount of \$0 as of December 31, 2019 in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.75%.

C. As of December 31, 2021, the face value of this convertible corporate bond of \$3,800 has been converted into ordinary 60,603 shares of common stock. The company adjusted the price from September 27, 2021 to 62.7 yuan.

D. The Company has paid off the conversion company with cash of \$146,200 on January 20, 2022.

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. However, the Group ceased to contribute to the labor pension reserve from March 2009 to March 2021 after receiving the approval from the New Taipei City Government. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 9,028	\$ 8,170
Fair value of plan assets	(10,043)	(9,867)
Net defined benefit asset (shown as 'Other non-current assets')	<u>(\$ 1,015)</u>	<u>(\$ 1,697)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
<u>2021</u>			
At January 1	\$ 8,170	(\$ 9,867)	(\$ 1,697)
Interest expense (income)	<u>81</u>	<u>(79)</u>	<u>2</u>
	<u>8,251</u>	<u>(9,946)</u>	<u>(1,695)</u>
Remeasurements:			
Return on plan assets (excluding amount included in interest income or expense)	-	(97)	(97)
Change in financial assumptions	81	-	81
Experience adjustments	<u>696</u>	<u>-</u>	<u>696</u>
	<u>777</u>	<u>(97)</u>	<u>680</u>
At December 31	<u>\$ 9,028</u>	<u>(\$ 10,043)</u>	<u>(\$ 1,015)</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
<u>2020</u>			
At January 1	\$ 7,298	(\$ 9,484)	(\$ 2,186)
Interest expense (income)	<u>73</u>	<u>(95)</u>	<u>(22)</u>
	<u>7,371</u>	<u>(9,579)</u>	<u>(2,208)</u>
Remeasurements:			
Return on plan assets (excluding amount included in interest income or expense)	-	(288)	(288)
Change in financial assumptions	115	-	115
Experience adjustments	<u>684</u>	<u>-</u>	<u>684</u>
	<u>799</u>	<u>(288)</u>	<u>511</u>
At December 31	<u>\$ 8,170</u>	<u>(\$ 9,867)</u>	<u>(\$ 1,697)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labour Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no

right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2021	2020
Discount rate	0.65%	0.80%
Future salary increases	2.25%	2.25%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience of the improved Taiwan annuity table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 135)	\$ 138	\$ 560	(\$ 516)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 143)	\$ 148	\$ 598	(\$ 551)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to \$0.
- (g) As of December 31, 2021, the weighted average duration of the retirement plan is 8.3 years.
- (h) The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 3,995
1-2 year(s)	2,344
2-5 years	1,041
	<u>\$ 7,380</u>

- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based

on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) For the aforementioned pension plan, the Company recognised pension costs of \$4,040 and \$3,950 for the years ended December 31, 2021 and 2020, respectively.

(12) Share-based payment

A. For the years ended December 31, 2021 and 2020, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2018.04.02	2,280 thousand shares	6 years	2 ~ 5 years' service
Employee stock options	2018.05.14	1,297 thousand shares	6 years	2 ~ 5 years' service
Employee stock options	2018.11.15	423 thousand shares	6 years	2 ~ 5 years' service
Cash capital increase reserved for employee preemption	2021.09.27	247 thousand shares	NA	NA

The share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,909,000	\$ 58.40	4,000,000	\$ 58.36
Options exercised	(35,000)	58.48	-	-
Options expired	(288,000)	56.49	(1,091,000)	58.25
Options outstanding at December 31	<u>2,586,000</u>	57.94	<u>2,909,000</u>	58.40
Options exercisable at December 31	<u>1,422,300</u>	57.94	<u>1,018,150</u>	58.40

C. The Company did not have any options exercised for the years ended December 31, 2021 and 2020.

D. For the years ended December 31, 2021 and 2020, the range of exercise prices of stock options outstanding was \$54.50 ~ \$58.60 (in dollars); the weighted-average remaining contractual period were 2.32 years and 3.35 years, respectively.

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	2018.04.02	58.5	58.5	44.54~46.90%(Note)	4 ~ 5.5 years	-	0.64~0.76%	20.61~24.70
Employee stock options	2018.05.14	59.2	59.2	44.25~47.03%(Note)	4 ~ 5.5 years	-	0.67~0.76%	20.76~25.07
Employee stock options	2018.11.15	55.0	55.0	40.56~48.61%(Note)	4 ~ 5.5 years	-	0.73~0.83%	17.88~24.44

Note: The expected price volatility is estimated based on the annualised standard deviation by reference to the historical daily rate of returns of the Company (code: 3224) over the length

of period approximating to the expected option life.

F. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2021	2020
Equity-settled	\$ 3,988	\$ 8,786

(13) Share capital

A. As of December 31, 2021, the Company's authorised capital was \$2,000,000, consisting of 200 million shares of ordinary stock (including 15 million shares reserved for employee stock options), and the paid-in capital was \$680,160, consisting of 68,016 thousand shares outstanding, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2021	2020
	No. of shares	No. of shares
At January 1	58,016,045	58,016,045
Employee stock options exercised	35,000	-
Cash capital increase	10,000,000	-
Conversion of convertible bonds to share common stock	60,603	-
At December 31	<u>68,111,648</u>	<u>58,016,045</u>

B. On August 11, 2020, the Company increased its capital by issuing 10,000,000 shares, with a par value of \$10 per share, and an issue price of \$39.5 through board resolution. The date of the capital increase was set on September 27, 2021. The above capital increase was registered.

C. In December, 2021, the Company converted the convertible bonds into 60,603 ordinary shares.

(14) Capital surplus

A. Pursuant to Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The information regarding capital surplus - share options and employee share options is provided in Notes 6(12) and (13).

C. On July 20, 2021, capital surplus used to cover accumulated deficit amounting to \$289,712 had been approved by the Financial Supervisory Commission and registered.

(15) Accumulated deficits to be covered

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining

amount shall be set aside as legal reserve. The remaining earnings along with unappropriated earnings of prior years will be retained or distributed as proposed by the Board of Directors and resolved by the shareholders. Regarding the bonus distributed to the shareholders, cash dividends shall account for at least 30% of the total distribution and the remainder is distributed in shares.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The Company incurred accumulated deficit for the years ended December 31, 2020 and 2019, and thus had no earnings for distribution. On July 20, 2021 and June 30, 2020, the shareholders approved the deficit compensation of 2020 and 2019, respectively.

(16) Operating revenue

- A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following departments:

	Year ended December 31, 2021		
	Electronics	Biomedicine	Total
Total segment revenue	\$ 507,369	\$ 200,939	\$ 708,308
Timing of revenue recognition			
At a point in time	\$ 507,369	\$ 200,912	\$ 708,281
Over time	-	27	27
	<u>\$ 507,369</u>	<u>\$ 200,939</u>	<u>\$ 708,308</u>
	Year ended December 31, 2020		
	Electronics	Biomedicine	Total
Total segment revenue	\$ 620,150	\$ 10,836	\$ 630,986
Timing of revenue recognition			
At a point in time	\$ 620,150	\$ 9,920	\$ 630,070
Over time	-	916	916
	<u>\$ 620,150</u>	<u>\$ 10,836</u>	<u>\$ 630,986</u>

- B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract liabilities:			
Advance sales receipts	\$ 36,849	\$ 869	\$ 124

(a) Significant changes in contract liabilities

None.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period.

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts	\$ 141	\$ 6

(17) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Net currency exchange gains (losses)	\$ 402	(\$ 2,118)
Losses on disposals of property, plant and equipment	-	(315)
Gains arising from lease modifications	1,154	4
Other losses	(1,846)	-
	<u>(\$ 290)</u>	<u>(\$ 2,429)</u>

(18) Expenses by nature

Function Nature	Years ended December 31,					
	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 2,751	\$ 90,681	\$ 93,432	\$ 1,643	\$ 99,145	\$ 100,788
Depreciation expense	4,032	24,357	28,389	7,190	23,853	31,043
Amortiosation expense	7,803	673	8,476	-	642	642

(19) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 71,182	\$ 74,105
Employee stock options	3,988	8,786
Labour and health insurance fees	7,553	6,874
Pension costs	4,042	3,928
Directors' remuneration	2,650	2,360
Other personnel expenses	4,017	4,735
	<u>\$ 93,432</u>	<u>\$ 100,788</u>

A. Under the amended Company's Articles of Incorporation, the current year's earnings, if any, shall first be reserved to cover accumulated deficit amount. The remainder, if any, shall be distributed as employees' compensation at 1%-5%.

B. As of December 31, 2021 and 2020, no employees' compensation and directors' remuneration were accrued due to accumulated deficit of the Company.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ -	\$ -
Deferred tax:		
Origination and reversal of temporary differences	<u>3,956</u>	<u>(10,821)</u>
Impact of change in tax rate	<u>-</u>	<u>-</u>
Income tax expense (benefit)	<u>\$ 3,956</u>	<u>(\$ 10,821)</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Currency translation differences	\$ 3,712	\$ 2,059
obligations	<u>136</u>	<u>102</u>
	<u>\$ 3,848</u>	<u>\$ 2,161</u>

B. Reconciliation between income tax benefit and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	(\$ 4,032)	(\$ 18,663)
Expenses disallowed by tax regulation	15,286	8,630
Change in assessment of realisation of deferred tax assets	(7,298)	(788)
Income tax expense (benefit)	<u>\$ 3,956</u>	<u>(\$ 10,821)</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Allowance for valuation loss on inventories	\$ 661	\$ 583	\$ -	\$ 1,244
Unused compensated absences	240	-	-	240
Currency translation differences	5,884	-	3,712	9,596
Remeasurement of benefit obligations	749	-	136	885
Unrealised exchange loss	28	(28)	-	-
Book-tax difference on onerous contracts losses	1,164	(1,164)	-	-
Others	149	-	-	149
-Tax losses	<u>79,923</u>	<u>(555)</u>	<u>-</u>	<u>79,368</u>
	<u>88,798</u>	<u>(1,164)</u>	<u>3,848</u>	<u>91,482</u>
Deferred tax liabilities:				
-Temporary differences:				
Gain on foreign long-term equity investment	(15,344)	(2,735)	-	(18,079)
Unrealised exchange gain	-	(57)	-	(57)
Book-tax difference on pensions	<u>(189)</u>	<u>-</u>	<u>-</u>	<u>(189)</u>
	<u>(15,533)</u>	<u>(2,792)</u>	<u>-</u>	<u>(18,325)</u>
	<u>\$ 73,265</u>	<u>(\$ 3,956)</u>	<u>\$ 3,848</u>	<u>\$ 73,157</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Allowance for valuation loss on inventories	\$ 242	\$ 419	\$ -	\$ 661
Unused compensated absences	240	-	-	240
Currency translation differences	3,825	-	2,059	5,884
Remeasurement of benefit obligations	647	-	102	749
Unrealised exchange loss	-	28	-	28
Book-tax difference on onerous contracts losses	1,164	-	-	1,164
Lease liabilities	326	(326)	-	-
Others	149	-	-	149
-Tax losses	<u>67,949</u>	<u>11,974</u>	<u>-</u>	<u>79,923</u>
	<u>74,542</u>	<u>12,095</u>	<u>2,161</u>	<u>88,798</u>
Deferred tax liabilities:				
-Temporary differences:				
Gain on foreign long-term equity investment	(13,862)	(1,482)	-	(15,344)
Unrealised exchange gain	(208)	208	-	-
Book-tax difference on pensions	(189)	-	-	(189)
	<u>(14,259)</u>	<u>(1,274)</u>	<u>-</u>	<u>(15,533)</u>
	<u>\$ 60,283</u>	<u>\$ 10,821</u>	<u>\$ 2,161</u>	<u>\$ 73,265</u>

D. The Company's income tax returns through 2019 been assessed and approved by the Tax Authority.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	Amount assessed	\$ 17,232	\$ 17,232	2022
2013	Amount assessed	15,876	15,876	2023
2014	Amount assessed	12,959	12,959	2024
2015	Amount assessed	21,087	21,087	2025
2016	Amount assessed	42,849	12,855	2026
2017	Amount assessed	28,478	8,543	2027
2018	Amount assessed	82,217	24,665	2028
2019	Amount assessed	131,452	-	2029
2020	Amount filed	104,225	-	2030
2021	Amount estimated	53,679	-	2031
		<u>\$ 510,054</u>	<u>\$ 113,217</u>	

December 31, 2020

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2010	Amount assessed	\$ 18,341	\$ 18,341	2020
2011	Amount assessed	14,982	14,982	2021
2012	Amount assessed	17,232	17,232	2022
2013	Amount assessed	15,876	4,763	2023
2014	Amount assessed	12,959	3,888	2024
2015	Amount assessed	21,087	6,326	2025
2016	Amount assessed	42,849	12,855	2026
2017	Amount assessed	28,478	-	2027
2018	Amount assessed	82,217	-	2028
2019	Amount filed	131,452	-	2029
2020	Amount estimated	92,526	-	2030
		<u>\$ 477,999</u>	<u>\$ 78,387</u>	

(21) Losses per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders	(\$ 24,119)	60,646	(\$ 0.40)

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders	(\$ 82,495)	58,016	(\$ 1.42)

For the year ended December 31, 2021, the employee stock options and convertible bonds issued by the Company were excluded from the calculation of diluted earnings per share since such options and bonds were anti-dilutive.

For the year ended December 31, 2020, the employee stock options issued by the Company were excluded from the calculation of diluted earnings per share since such options were anti-dilutive.

(22) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 5,507	\$ 7,709
Add: Opening balance of payable on equipment	79	56
Less: Ending balance of payable on equipment	(285)	(79)
Less: Opening balance of prepayments on equipment	(1,389)	-
Cash paid during the period	\$ 3,912	\$ 7,686

B. Investing activities with no cash flow effects:

	Years ended December 31,	
	2021	2020
Prepayments for business facilities transferred to property, plant and equipment	\$ 1,389	\$ -

(23) Changes in liabilities from financing activities

	2021				
	Short-term borrowings	Bonds payable	Lease liabilities	Gurantee deposits received	Liabilities from financing activities
At January 1	\$ 111,000	\$ 147,408	\$ 124,216	\$ 300	\$ 382,924
Changes in cash flow from financing activities	(65,774)	-	(9,441)	-	(75,215)
Changes in other non-cash items	-	(1,208)	(74,278)	-	(75,486)
At December 31	<u>\$ 45,226</u>	<u>\$ 146,200</u>	<u>\$ 40,497</u>	<u>\$ 300</u>	<u>\$ 232,223</u>

	2020				
	Short-term borrowings	Bonds payable	Lease liabilities	Gurantee deposits received	Liabilities from financing activities
At January 1	\$ 20,000	\$ 144,861	\$ 123,808	\$ -	\$ 288,669
Changes in cash flow from financing activities	91,000	-	(12,719)	300	78,581
Changes in other non-cash items	-	2,547	13,127	-	15,674
At December 31	<u>\$ 111,000</u>	<u>\$ 147,408</u>	<u>\$ 124,216</u>	<u>\$ 300</u>	<u>\$ 382,924</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
MetaTech Investment Holding Co., Ltd.	The Company's subsidiary
Chienhwa Travel Service Co., Ltd.	The Company's subsidiary
LOCUS CELL CO., LTD.	The Company's subsidiary
MTI Holding Co., Ltd.	The Company's second-tier subsidiary
MetaTech (S) Pte Ltd.	The Company's third-tier subsidiary
MetaTech Ltd.	The Company's third-tier subsidiary
MetaTech (Shenzhen) Ltd.	MetaTech Ltd.'s subsidiary
Up Cell Biomedical Inc.	Investee company accounted for using the equity method

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
-Subsidiaries	\$ 3,921	\$ 3,122
-Associates	1,523	-
	<u>\$ 5,444</u>	<u>\$ 3,122</u>

The collection term for related parties is determined according to the gross profits in mutual agreement and the credit term is 90 days after monthly billing. The collection term to general customers is 30 to 90 days after monthly billing.

B. Purchases

	Years ended December 31,	
	2021	2020
Purchases of goods:		
-Subsidiaries	\$ 5,227	\$ 5,494
Purchases of services:		
-Subsidiaries	49	255
	<u>\$ 5,276</u>	<u>\$ 5,749</u>

The payment term for related parties is determined according to the gross profits in mutual agreement the credit term for general suppliers is 30 to 90 days after monthly billing.

C. Receivables to related parties

	December 31, 2021	December 31, 2020
-Subsidiaries	<u>\$ 439</u>	<u>\$ -</u>

Accounts receivable are mainly from transactions, they are unsecured, interest-free, with no provision for bad debts.

D. Other receivables

	December 31, 2021	December 31, 2020
-Subsidiaries	<u>\$ 29,970</u>	<u>\$ 81</u>

Other receivables are mainly management services fees and loans granted to subsidiaries.

The Company provides management services to the subsidiaries. Management fees revenue is received periodically based on the terms determined in mutual agreement. Revenue received for the years ended December 31, 2021 and 2020 amounting to \$19,675 and \$12,157 was shown as deduction on 'operating expenses - general and administrative expenses' and 'other income', respectively.

E. Payables to related parties

	December 31, 2021	December 31, 2020
-Subsidiaries	<u>\$ 257</u>	<u>\$ 88</u>

F. Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
-Subsidiaries	\$ 91	\$ 209
-Associates	<u>100</u>	<u>-</u>
	<u>\$ 191</u>	<u>\$ 209</u>

Other payables refer to payables arising from freight prepaid by subsidiaries.

G. Non-operating revenue

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other income		
-Subsidiaries	\$ 3,112	\$ -
-Associates	<u>-</u>	<u>17</u>
	<u>\$ 3,112</u>	<u>\$ 17</u>

(i) The other income from subsidiaries arise mainly from prepaid freight.

(ii) The other income from related parties arise mainly from rental contracts which are made from 2019 to 2020. Rents are paid at the end of the month.

H. Loans to /from related parties

Loans to related subsidiaries

(i) Outstanding balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
MetaTech (S) Pte Ltd.	\$ 19,376	\$ -
	(USD 700 thousand)	

(ii) Interest income

	<u>2021</u>	<u>2020</u>
MetaTech (S) Pte Ltd.	\$ 40	\$ -

I. Endorsements and guarantees

The Company issued guarantee notes and provided endorsements and guarantees to related parties.

Details are as follows:

<u>Party being endorsed/ guaranteed</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
MetaTech Ltd.	\$ 13,840	\$ 14,240
	(USD 500 thousand)	(USD 500 thousand)

J. Others

The joint credit line of the Company and its third-tier subsidiary, MetaTech Ltd., for financial institution short-term secured borrowings was NTD 50 million in 2021 and 2020. As of December 31, 2021 and 2020, the promissory notes amounting to NTD 100 million and NTD 65 million was issued to a bank as guarantee and the abovementioned joint credit line amounting to NTD 27.197 million and NTD 50 million was used, respectively.

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	\$ 11,242	\$ 10,667
Post-employment benefits	151	140
Share-based payments	869	1,038
	<u>\$ 12,262</u>	<u>\$ 11,845</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2021	December 31, 2020	
Financial assets at amortised cost			
-Reserve account for demand deposits	\$ 2,004	\$ 4,002	Guarantee for limit on short-term credit line
-Time deposits	9,013	9,013	Guarantee for customs, credit card and performance bond of lease agreements
Property, plant and equipment			
-Land	17,209	17,209	Guarantee for short-term credit line
-Buildings and structures	26,286	27,076	"
	<u>\$ 54,512</u>	<u>\$ 57,300</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Please refer to Note 7(2)G and H for details of significant related party contingent liabilities and unrecognised contract commitments.

B. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2021	December 31, 2020
Intangible assets (Note)	<u>\$ 13,482</u>	<u>\$ 15,489</u>

Note: The Company entered into a start-up agreement of cell sheet regenerative medical cooperation with Japan CellSeed Inc. on December 21, 2016 with the consideration amounting to JPY 50 million for expanding biomedical research and development, business development, as well as promoting the Company's innovative transformation of regenerative medicine. The Board of Directors during its meeting on March 24, 2017 adopted a resolution to enter into a cooperation agreement of abovementioned cell sheet regenerative medicine with Japan CellSeed Inc., which was formally signed on April 24, 2017 with the

consideration amounting to JPY 1.25 billion. As of December 31, 2021, the Company has paid JPY 1,243,942,865 in respect of the payment schedule for arrangement.

10. Significant Disaster Loss

None.

11. Significant events after the balance sheet date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 52,339	\$ 107,916
Financial assets at amortised cost	11,017	13,015
Notes receivable	603	237
Accounts receivable	139,074	97,660
Other receivables	36,547	2,277
Guarantee deposits paid (shown as 'other non-current assets')	1,130	5,241
	<u>\$ 240,710</u>	<u>\$ 226,346</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 45,226	\$ 111,000
Notes payable	1,422	324
Accounts payable	70,080	68,861
Other payables	23,898	16,665
Guarantee deposits received (shown as 'other non-current liabilities')	330	330
Bonds payable	146,200	147,408
	<u>\$ 287,156</u>	<u>\$ 344,588</u>
Lease liability	<u>\$ 40,497</u>	<u>\$ 124,216</u>

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require the Company's operating units to manage their foreign exchange risk against their functional currency.
- iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 5,146	27.680	\$142,441
JPY:NTD	3,816	0.2405	918
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,460	27.680	68,093

				December 31, 2020		
				Foreign currency amount	Exchange rate	Book value
				(In thousands)		(NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	3,640	28.480	\$103,667		
JPY:NTD		3,064	0.2763	847		
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		2,168	28.480	61,745		

- v. The total exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020, amounted to \$402 and (\$2,118), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

						Year ended December 31, 2021		
						Sensitivity analysis		
						Effect on profit or loss	Effect on other comprehensive	
						before tax	income after tax	
Degree of variation						Effect on profit or loss before tax	Effect on other comprehensive income after tax	
(Foreign currency: functional currency)								
<u>Financial assets</u>								
<u>Monetary items</u>								
USD:NTD	1%	\$	1,424	\$	-			
JPY:NTD	1%		9		-			
<u>Financial liabilities</u>								
<u>Monetary items</u>								
USD:NTD	1%		681	\$	-			

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income after tax
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,037	\$ -
JPY:NTD	1%	8	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	617	\$ -

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and notes receivable based on the agreed terms, as well as the contract cash flows of financial assets at amortised cost.
- ii. The Company manages their credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only above investment grade are accepted. According to the credit policy, each local entity in company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management . The utilisation of credit limits is regularly monitored. Credit risk arises from credit exposures to wholesale and retail customers, including outstanding receivables.
- iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

- (ii) Default or delinquency in interest or principal repayments;
 - (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.
As of December 31, 2021 and 2020, the Company has no written-off financial assets that are still under recourse procedures.
- viii. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the loss allowance for accounts receivable. The Company's expected credit loss rate of not past due accounts receivable as of December 31, 2021 and 2020 is not material.
- ix. The Company did not recognise the amount of loss allowance for accounts receivable applying the simple approach since it was not material for the years ended December 31, 2021 and 2020.
- (c) Liquidity risk
- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
 - ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	\$ 45,226	\$ -	\$ -
Notes payable	1,422	-	-
Accounts payable (including related parties)	70,080	-	-
Other payables(including related parties)	23,898	-	-
Guarantee deposits received (shown as 'other non-current liabilities')	330	-	-
Lease liability	5,915	26,800	9,943
Bonds payable	146,200	-	-

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	\$ 111,594	\$ -	\$ -
Notes payable	324	-	-
Accounts payable	68,861	-	-
Other payables	16,665	-	-
Guarantee deposits received (shown as 'other non-current liabilities')	330	-	-
Lease liability	14,681	49,063	73,760
Bonds payable	-	150,000	-

(3) Fair value information

- A. The Company has determined that the book value of financial assets and liabilities that does not use fair value is approximate to fair value, including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable and other payables.
- B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in certain derivative instruments is included in Level 3.
- C. The related information of financial instruments measured at fair value by level on the basis of

the nature, characteristics and risks of the assets and liabilities is as follows:

	Level 3	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Assets		
<u>Recurring fair value measurements</u>		
Financial assets at fair value value through profit or loss or loss		
-Options embedded in convertible bonds	\$ -	\$ -

D. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
At January 1	\$ -	\$ -
Issued in the year	-	-
Valuation loss	-	-
At December 31	<u>\$ -</u>	<u>\$ -</u>

- E. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Derivative instrument:					
Options	\$ -	Binomial model	Volatility	38.58%	The higher the volatility, the higher the fair value

13. Supplementary Disclosures

(1) Significant transactions information

The disclosure information of investees is based on financial statements audited by independent auditors and the inter-company transactions are eliminated in the preparation of the consolidated financial statements. The following disclosure information is for reference only.

A. Loans to others: Please refer to table 1.

- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative financial instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

- A. Information on investees in the Mainland Area: Please refer to table 5.
- B. Significant transactions and their prices, payment terms and unrealised gains or losses, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 3.

(4) Major shareholders information

Major shareholders information: Please refer to table 6.

14. Operating Segment Information

None.

Metatech (AP) Inc. and Subsidiaries

Loans to others

For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Metatech (AP) Inc.	MetaTech(S) Pte Ltd.	Other receivables	Y	27,850	27,680	19,376	1.33%	Short-term financing	-	Operations	-	-	-	\$ 257,471	\$ 514,942	Notes 3 and 5
1	MTI Holding Co., Ltd.	Metatech (AP) Inc.	Other receivables	Y	57,070	-	-	1.30%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5
1	MTI Holding Co., Ltd.	MetaTech(S) Pte Ltd.	Other receivables	Y	55,700	55,360	41,520	1.48%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5
1	MTI Holding Co., Ltd.	MetaTech Ltd.	Other receivables	Y	28,535	27,680	13,840	1.33%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0' .

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the company's "Regulations for Provision of Loans", the interest rate of loans to others should be no less than the average interest rate of the Company's short-term funds borrowed from financial institutions at that time.

Note 3: According to the Company's "Regulations for Provision of Loans", the Company's ceiling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 40% of the creditor's net assets.

C. The limit on total loans to the same party is 20% of the Company's net assets.

Note 4: According to the subsidiary's "Regulations for Provision of Loans", the subsidiary's ceiling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 100% of the creditor's net assets.

C. The limit on total loans to the same party is 80% of the subsidiary's net assets.

The subsidiary's ceiling on total loans granted to related parties, which its 100% voting shares directly or indirectly held by the parent Company and to the same party is 100% and 80% of the subsidiary's net assets, respectively.

Note 5: The current period ending balance was translated into TWD at the exchange rate at the balance sheet date (1USD:27.68TWD).

Metatech (AP) Inc. and Subsidiaries
 Provision of endorsements and guarantees to others
 For the year ended December 31, 2021

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Metatech (AP) Inc.	MetaTech Ltd.	The Company's third-tier subsidiary	\$ 643,677	\$ 14,268	\$ 13,840	\$ 13,840	\$ -	1.08	\$ 1,287,354	Y	N	N	Notes 2,3 and 4
1	MetaTech Ltd.	Metatech (AP) Inc.	Parent company	119,831	-	-	-	-	-	239,661	N	Y	N	Notes 2 and 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on endorsements/guarantees provided for a single party is 50% of the Company's net assets.

Note 3: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on total endorsements/guarantees is 100% of the Company's net assets.

Note 4: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on endorsements/guarantees provided for a single party is 50% of the Subsidiary's net assets.

Note 5: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on total endorsements/guarantees is 100% of the Subsidiary's net assets.

Note 6: The current period ending balance was translated into TWD at the exchange rate at the balance sheet date (1USD:27.68TWD).

Metatech (AP) Inc. and Subsidiaries
 Significant inter-company transactions during the reporting periods
 For the year ended December 31, 2021

Table 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
0	Metatech (AP) Inc.	MetaTech Ltd.	1	Sales revenue	\$ 3,001	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other income	1,023	Administrative service fees and payment on behalf of others, 90 days after monthly billing	0%
0	"	"	1	Accounts receivable	14	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other receivables	4,675	Administrative service fees and payment on behalf of others, 90 days after monthly billing	0%
0	"	MetaTech (S) Pte Ltd.	1	Sales revenue	920	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other income	293	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Accounts receivable	425	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other receivables	25,275	Administrative service fees and short-term capital financing, 90 days after monthly billing	1%
0	"	Chienhwa Travel Service Co.,Ltd.	1	Rental revenue	57	Prices are determined according to the amount in mutual agreement	0%
0	"	MTI Holding Co., Ltd.	1	Other receivables	20	Advance payment, 90 days after monthly billing	0%
0	"	LOCUS CELL CO., LTD.	1	Rental revenue	3,112	Prices are determined according to the amount in mutual agreement	0%
1	MetaTech (S) Pte Ltd.	Metatech (AP) Inc.	2	Sales revenue	434	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
1	"	"	2	Accounts receivable	257	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
1	"	MetaTech Ltd.	3	Sales revenue	54	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	MetaTech Ltd.	Metatech (AP) Inc.	2	Sales revenue	4,793	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	"	"	2	Other receivables	15	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	"	MetaTech (S) Pte Ltd.	3	Sales revenue	11,955	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
2	"	MetaTech (Shenzhen) Ltd.	3	Sales revenue	26,397	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
2	"	"	3	Service revenue	29,847	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
3	Chienhwa Travel Service Co.,Ltd.	Metatech (AP) Inc.	2	Service revenue	65	Services rendered terms and the credit term are the same with third parties	0%
3	"	"	2	Other receivables	91	Advance payment, 30 days after monthly billing	0%
3	"	"	2	Guarantee deposits	30	Securities deposits are determined according to the amount in mutual agreement	0%
4	Chienhwa Travel Service Co., Ltd.	Metatech (AP) Inc.	3	Other receivables	13,873	short-term capital financing and interest receivables	0%
4	"	"	3	Other receivables	41,763	short-term capital financing and interest receivables	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1)Parent company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1)Parent company to subsidiary.
- (2)Subsidiary to parent company.
- (3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The sales prices and credit terms are the same with the third parties. The credit terms on sales to third parties were 30 to 90days.

Metatech (AP) Inc. and Subsidiaries
Information on investees
For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Metatech (AP) Inc.	MetaTech Investment Holding Co., Ltd.	British Virgin Islands	Investment holding and reinvestment business	\$ 333,065	\$ 333,065	10,000,000	100	\$ 424,689	\$ 45,597	\$ 45,597	Subsidiary
Metatech (AP) Inc.	Chienhwa Travel Service Co., Ltd.	Taiwan	Travel business	3,400	3,400	800	100	1,683	(666)	(666)	Subsidiary
Metatech (AP) Inc.	Up Cell Biomedical Inc.	Taiwan	Cell sheet development and medical production	33,000	33,000	3,300,000	25.38	20,646	(26,677)	(6,771)	Investee accounted for using the equity method
Metatech (AP) Inc.	LOCUS CELL CO., LTD.	Taiwan	Cell therapy phase available product and commissioned to Manufacturing Services	300,000	1,000	200,000,000	15	294,734	(34,518)	(5,237)	Subsidiary
MetaTech Investment Holding Co., Ltd.	MTI Holding Co., Ltd.	Samoa	Investment holding and reinvestment business	333,065	333,065	10,000,000	100	424,689	45,597	45,597	Sub-subsidiary
MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Singapore	Wholesale and retail of electronic materials	82,259	82,259	3,800,000	100	125,171	7,763	7,763	Third-tier subsidiary
MTI Holding Co., Ltd.	MetaTech Ltd.	Hong Kong	Wholesale and retail of electronic materials	199,170	199,170	46,000,000	100	239,661	37,518	37,518	Third-tier subsidiary

Metatech (AP) Inc. and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31,2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MetaTech (Shenzhen) Ltd.	Wholesale and retail of electronic materials	\$ 72,652	Through investing in an existing company in the third areas, which then invested in the investee in Mainland China	\$ 72,652	\$ -	\$ -	\$ 72,652	\$ 14,814	100	\$ 14,814	\$ 47,674	\$ -	Notes 1,2 and 3

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Celling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Metatech (AP) Inc.	\$ 72,652	\$ 73,482	\$ 1,774,823

Note 1: Through investing in the subsidiary, MetaTech Investment Holding Co, Ltd in the third areas by cash and reinvesting by its second-tier subsidiary, MetaTech Ltd. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: The amount of investment income (loss) recognised is the amount recognised in the financial statements of the investee that were reviewed by R.O.C parent company's CPA.

Note 3: Paid-in capital and investment amount are translated into TWD at exchange rate at the balance sheet date (1USD:27.68 TWD).

Note 4: According to the MOEA Regulation No. 09704604680, "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area", announced on August 29, 2008, limit on accumulated amount of investment in Mainland China is the higher of 60% of net assets and consolidated net assets.

Metatech (AP) Inc. and Subsidiaries
Major shareholders information
December 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of major shareholders	Name of shares held	Shares	Ownership (%)
Zhen Long, Wu		7,570,319	11.12%
JUN INVESTMENT INTERNATIONAL CO., LTD.		6,201,516	9.10%

METATECH(AP) INC.
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount
Cash on hand		\$ 98
Demand deposits		
- NTD		44,075
- Foreign currency	USD 219,998.74; conversion rate 1:27.68	6,089
	JPY 3,771,546; conversion rate 1:0.2405	907
	Others	12
Checking accounts		1,158
		<u>\$ 52,339</u>

METATECH(AP) INC.
ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

<u>Client Name</u>	<u>Amount</u>	<u>Note</u>
<u>Non-related parties</u>		
A	\$ 27,895	
B	18,130	
D	16,143	
F	10,562	
Others		None of the balances of each remaining clients is greater than 5% of this account balance
	<u>65,905</u>	
	138,635	
Less: Allowance for bad debts	<u>-</u>	
	<u>\$ 138,635</u>	

METATECH(AP) INC.
INVENTORIES
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Amount		Note
	Cost	Net Realisable Value	
Raw materials	\$ 10,936	\$ 11,329	Net realisable values are used as market value
Work in progress	12,154	12,154	Net realisable values are used as market value
Semi-finished goods	8,611	8,707	Net realisable values are used as market value
Finished goods	1,168	1,168	Net realisable values are used as market value
Merchandise	52,248	57,228	Net realisable values are used as market value
	85,117	<u>\$ 90,586</u>	
Less: Allowance for valuation loss on inventories	(6,141)		
	<u>\$ 78,976</u>		

METATECH(AP) INC.
CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Name	Beginning Balance		Addition		Decrease (Note)		Ending Balance			Net Assets Value			
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral	Note
MetaTech Investment Holding Co., Ltd.	10,000,000	\$ 390,741	-	\$ 33,948	-	\$ -	10,000,000	100%	\$ 424,689	\$ 42.47	\$ 424,689	None	None
Chienhwa Travel Service Co., Ltd.	800	\$ 2,350	-	\$ -	-	(\$ 667)	800	100%	\$ 1,683	\$ 2,104	\$ 1,683	None	None
Up Cell Biomedical Inc.	3,300,000	\$ 27,417	-	\$ -	-	(\$ 6,771)	3,300,000	25.38%	\$ 20,646	\$ 6.26	\$ 20,646	None	None
LOCUS CELL CO., LTD.	100,000	\$ 937	29,900,000	\$ 299,054	-	(\$ 5,257)	30,000,000	15%	\$ 294,734	\$ 9.82	\$ 294,734	None	None

Note: Including investment profit or loss and effect from accumulated translation adjustment.

METATECH(AP) INC.
CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	Beginning Balance	Addition	Decrease	Transfer (Note)	Ending Balance	Collateral	Note
Cost							
Land	\$ 17,209	\$ -	\$ -	\$ -	\$ 17,209	Fully pledged as collateral for credit line for short-term borrowings	
Buildings and structures	147,199	-	-	-	147,199	Partly pledged as collateral for credit line for short-term borrowings	
Machinery and equipment	62,273	3,062	-	1,389	66,724	None	
Transportation equipment	5,453	-	-	-	5,453	"	
Office equipment	27,735	1,056	(309)	-	28,482	"	
Leasehold improvements	19,409	-	(7,187)	-	12,222	"	
Other equipment	2,121	-	-	-	2,121	"	
	<u>\$ 281,399</u>	<u>\$ 4,118</u>	<u>(\$ 7,496)</u>	<u>\$ 1,389</u>	<u>\$ 279,410</u>		
Accumulated depreciation							
Buildings and structures	(\$ 22,481)	(\$ 5,885)	\$ -	\$ -	(\$ 28,366)		
Machinery and equipment	(13,311)	(6,945)	-	-	(20,256)		
Transportation equipment	(2,968)	(909)	-	-	(3,877)		
Office equipment	(19,932)	(2,532)	309	-	(22,155)		
Leasehold improvements	(8,803)	(1,224)	7,187	-	(2,840)		
Other equipment	(1,660)	(57)	-	-	(1,717)		
	<u>(69,155)</u>	<u>(\$ 17,552)</u>	<u>\$ 7,496</u>	<u>\$ -</u>	<u>(79,211)</u>		
	<u>\$ 212,244</u>				<u>\$ 200,199</u>		

METATECH(AP) INC.
SHORT-TERM BORROWINGS
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

<u>Nature</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of Interest Rate</u>	<u>Credit Line</u>	<u>Collateral</u>	<u>Note</u>
		\$ 10,000	2021/10/08-2022/01/07				
ChinaTrust Commercial Bank	Unsecured borrowings	10,000	2021/11/19-2022/02/18	1.32%	\$ 50,000	None	None
		7,226	2021/11/25-2022/02/23		85,000		
		7,000	2021/12/27-2022/06/27	1.35%			
Chang Hwa Bank	Secured borrowings	11,000	2021/12/30-2022/06/30	1.35%	32,000	Property, plant and equipment	Note 8
		<u>\$ 45,226</u>			<u>\$ 167,000</u>		

METATECH(AP) INC.
ACCOUNTS PAYABLE
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Client Name	Amount	Note
A	\$ 64,417	

Others	<u>5,406</u> <u>\$ 69,823</u>	None of the balances of each remaining suppliers is greater than 5% of this account balance.
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METATECH(AP) INC.
CORPORATE BONDS PAYABLE
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Bonds Name	Trustee	Issuance Date	Payment Date	Coupon Rate	Amount					Repayment Term	Collateral
					Total Issuance Amount	Repayment Paid and Converted Amount	Ending Balance	Unamortised Premiums (Discounts)	Carrying Amount		
Third domestic secured convertible bonds	Taiwan Business Bank	2019.01.09	-	0.00%	\$ 150,000	(\$ 3,800)	\$ 146,200	(\$ 146,200)	\$ -	Please refer to Note 6(11)	Please refer to Note 6(11)

METATECH(AP) INC.
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Amount	Note
Connectors	\$ 478,313	
Consumer products	12,785	
Communications	18,281	
Biomedical products	203,796	
Others	9	
	<u>713,184</u>	
Less: Sales returns and discounts	(4,876)	
Net operating revenue	<u>\$ 708,308</u>	

METATECH(AP) INC.
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Amount	Note
Beginning raw materials	\$ 11,752	
Add: Raw materials purchased	7,743	
Gain on physical inventory	-	
Semi-finished goods transferred into raw materials	131,118	
Finished goods transferred into raw materials	655	
Less: Ending raw materials	(10,936)	
Cost of raw materials	(80)	
Reclassified as expenses	(4,374)	
Raw materials used	135,878	
Direct labor	850	
Manufacturing expense	37,257	
Total manufacturing cost	173,985	
Add: Beginning work in Progress	1,325	
Less: Ending work in Progress	(12,154)	
Reclassified as expenses	(423)	
Manufacturing cost	162,733	
Add: Beginning semi-finished goods	708	
Semi-finished goods purchased	138,281	
Less: Ending semi-finished goods	(8,611)	
Reclassified as expenses	(2,248)	
Semi-finished goods transferred into raw materials	(131,118)	
Cost of semi-finished goods	(563)	
Cost of finished goods	159,182	
Add: Beginning finished goods	283	
Less: Ending finished goods	(1,168)	
Reclassified as expenses	(2,864)	
Finished goods transferred into raw materials	(655)	
Cost of goods manufactured and sold	154,778	

METATECH(AP) INC.
OPERATING COSTS (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Beginning merchandise inventory	\$	34,108
Add: Net purchase for the year		416,244
Less: Ending merchandise inventory	(	52,248)
Loss on disposal of inventories	(	81)
Reclassified as expenses		323
Cost of purchases and sales		<u>398,346</u>
Add: Other operating costs		19,426
Cost of raw materials		80
Cost of semi-finished goods		563
Gain on physical inventory		-
Loss on disposal of inventories		81
Loss on reversal of decline in market value		<u>2,956</u>
Total operating costs	\$	<u><u>576,230</u></u>

METATECH(AP) INC.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 35,077	
Advertising expense		7,154	
Depreciation expense		5,648	
Others (Note)		26,612	
		<u>\$ 74,491</u>	

Note: None of the balance of each remaining item is greater than 5% of this account balance.

METATECH(AP) INC.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 18,969	
Entertainment expense		4,593	
Insurance expense		3,220	
Others (Note)		18,530	
		<u>\$ 45,312</u>	

Note: None of the balance of each remaining item is greater than 5% of this account balance.

METATECH(AP) INC.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 18,974	
Depreciation expense		16,707	
Commissioned research		6,704	
Others (Note)		23,112	
		<u>\$ 65,497</u>	

Note: None of the balance of each remaining item is greater than 5% of this account balance.

METATECH(AP) INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 14

Function Nature	For the year ended December 31, 2021			For the year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ 2,150	\$ 73,020	\$ 75,170	\$ 1,302	\$ 81,589	\$ 82,891
Labour and health insurance fees	328	7,225	7,553	167	6,707	6,874
Pension costs	121	3,921	4,042	74	3,854	3,928
Directors' remuneration	-	2,650	2,650	-	2,360	2,360
Other personnel expenses	152	3,865	4,017	100	4,635	4,735
Depreciation expense	4,032	24,357	28,389	7,190	23,853	31,043
Amortisation expense	7,803	673	8,476	-	642	642

Note:

1. As at December 31, 2021 and 2020, the Company had 105 and 107 employees, including 6 and 8 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
 - (1) Average employee benefit expense in current year was \$917 ((Total employee benefit expense in current year–Total directors' compensation in current year)/ (Number of employees in current year–Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$994 ((Total employee benefit expense in previous year–Total directors' compensation in previous year)/ (Number of employees in previous year – Number of non-employee directors in previous year)).
 - (2) Average employee salaries in current year was \$759 (Total employee salaries in current year / (Number of employees in current year-Number of non-employee directors in current year)).
Average employee salaries in previous year was \$837 (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
 - (3) Adjustments of average employee salaries was -9.3% ((Average employee salaries in current year- Average employee salaries in previous year)/ Average employee salaries in previous year).
 - (4) The Company set up an audit committee, so there is no supervisor's remuneration for the years ended December 31, 2021 and 2020.

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

METATECH (AP) INC. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

METATECH (AP) INC.
Yang Chih Hui, Chairman
March 25, 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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, 2021 and 2020, 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, based on our audits and the report of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, 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 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 the assets. Revenue is recognised when the Company transfers promised goods to customers and the performance obligation is satisfied. The Company's warehouses are located in Shanghai, and 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 recognises revenue based on the reports of inventory movement provided by the hub custodians. As the information process, recording and maintenance of the reports were done manually, it may lead to improper revenue recognition or a discrepancy between physical inventory quantities in the hubs and the quantities in accounting records. 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. Understood the warehouses' process of collection, management and shipping, assessed and tested relevant internal controls, including randomly checking whether the product name, quantity and amount in the reports provided by hub custodians 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 custodians 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.

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 \$173,593 thousand and \$14,456 thousand, respectively, as at December 31, 2021. 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 and assessed the individual assessment used 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 – Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$27,417 thousand, constituting 2% of the consolidated total assets as at December 31, 2020, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to NT\$5,583 thousand, constituting 6% of the consolidated total comprehensive income for the year then ended.

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, 2021 and 2020.

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

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

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2022

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 748,307	21	\$ 367,577	25
1136	Current financial assets at amortised cost	6(2) and 8	1,415,673	40	13,015	1
1150	Notes receivable, net	6(3)	603	-	237	-
1170	Accounts receivable, net	6(3)	479,175	14	273,946	18
1200	Other receivables		6,593	-	2,197	-
1220	Current income tax assets		74	-	8	-
130X	Inventories	6(4)	159,137	4	83,740	6
1410	Prepayments		20,032	1	6,629	-
1470	Other current assets		734	-	692	-
11XX	Current Assets		<u>2,830,328</u>	<u>80</u>	<u>748,041</u>	<u>50</u>
Non-current assets						
1550	Investments accounted for using the equity method	6(5)	20,646	-	27,417	2
1600	Property, plant and equipment	6(6) and 8	201,832	6	212,680	14
1755	Right-of-use assets	6(7)	111,707	3	125,601	8
1780	Intangible assets	6(8)	270,130	8	277,933	19
1840	Deferred income tax assets	6(20)	91,482	3	88,798	6
1900	Other non-current assets		13,268	-	15,521	1
15XX	Non-current assets		<u>709,065</u>	<u>20</u>	<u>747,950</u>	<u>50</u>
1XXX	Total assets		<u>\$ 3,539,393</u>	<u>100</u>	<u>\$ 1,495,991</u>	<u>100</u>

(Continued)

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current Liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 45,226	1	\$ 111,000	8
2130	Current contract liabilities	6(16)	44,149	1	9,484	1
2150	Notes payable		1,422	-	324	-
2170	Accounts payable		169,855	5	133,547	9
2200	Other payables		35,174	1	28,805	2
2230	Current income tax liabilities	6(20)	4,209	-	197	-
2250	Provisions for liabilities - current		-	-	4,433	-
2280	Current lease liabilities		13,323	1	17,002	1
2320	Long-term liabilities, current portion	6(10)	146,200	4	-	-
2399	Other current liabilities, others		649	-	733	-
21XX	Current Liabilities		<u>460,207</u>	<u>13</u>	<u>305,525</u>	<u>21</u>
Non-current liabilities						
2530	Corporate bonds payable	6(10)	-	-	147,408	10
2570	Deferred income tax liabilities	6(20)	18,325	-	15,533	1
2580	Non-current lease liabilities		102,523	3	112,158	7
2600	Other non-current liabilities		300	-	300	-
25XX	Non-current liabilities		<u>121,148</u>	<u>3</u>	<u>275,399</u>	<u>18</u>
2XXX	Total Liabilities		<u>581,355</u>	<u>16</u>	<u>580,924</u>	<u>39</u>
Equity						
Equity attributable to owners of the parent						
Share capital						
3110	Share capital - common stock	6(13)	681,116	19	580,160	39
Capital surplus						
3200	Capital surplus	6(14)	672,092	20	657,872	43
Retained earnings						
3350	Accumulated deficit	6(15)	(24,663)	(1)	(289,712)	(19)
Other equity						
3400	Other equity interest		(41,191)	(1)	(33,253)	(2)
31XX	Equity attributable to owners of the parent		<u>1,287,354</u>	<u>37</u>	<u>915,067</u>	<u>61</u>
36XX	Non-controlling interests	4(3)	<u>1,670,684</u>	<u>47</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>2,958,038</u>	<u>84</u>	<u>915,067</u>	<u>61</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 3,539,393</u>	<u>100</u>	<u>\$ 1,495,991</u>	<u>100</u>

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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except loss per share)

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16) and 7	\$ 2,011,817	100	\$ 1,576,079	100
5000	Operating costs	6(4)(18)(19)	(1,746,775)	(87)	(1,405,385)	(89)
5950	Net operating margin		<u>265,042</u>	<u>13</u>	<u>170,694</u>	<u>11</u>
	Operating expenses	6(18)(19)				
6100	Selling expenses		(128,854)	(7)	(110,535)	(7)
6200	General and administrative expenses		(105,031)	(5)	(78,418)	(5)
6300	Research and development expenses		(67,195)	(3)	(62,022)	(4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>1</u>	<u>-</u>	<u>16</u>	<u>-</u>
6000	Total operating expenses		(<u>301,079</u>)	(<u>15</u>)	(<u>250,959</u>)	(<u>16</u>)
6900	Operating loss		(<u>36,037</u>)	(<u>2</u>)	(<u>80,265</u>)	(<u>5</u>)
	Non-operating revenue and expenses					
7100	Interest income		988	-	508	-
7010	Other income		8,826	-	3,008	-
7020	Other gains and losses	6(17)	(732)	-	(3,997)	-
7050	Finance costs		(10,068)	-	(5,846)	(1)
7060	Share of loss of associates and joint ventures accounted for using the equity method		(<u>6,771</u>)	<u>-</u>	(<u>5,583</u>)	<u>-</u>
7000	Total non-operating revenue and expenses		(<u>7,757</u>)	<u>-</u>	(<u>11,910</u>)	(<u>1</u>)
7900	Loss before income tax		(<u>43,794</u>)	(<u>2</u>)	(<u>92,175</u>)	(<u>6</u>)
7950	Income tax (expense) benefit	6(20)	(<u>9,587</u>)	(<u>1</u>)	<u>9,680</u>	<u>1</u>
8200	Loss for the year		(<u>\$ 53,381</u>)	(<u>3</u>)	(<u>\$ 82,495</u>)	(<u>5</u>)

(Continued)

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except loss per share)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive income (net)					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(11)			
			(\$ 680)	-	(\$ 511) -
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)			
			136	-	102 -
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
			(544)	-	(409) -
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations				
			(11,650)	-	(17,202) (1)
8399	Income tax relating to the components of other comprehensive income	6(20)			
			3,712	-	2,059 -
8360	Components of other comprehensive income that will be reclassified to profit or loss				
			(7,938)	-	(15,143) (1)
8300	Total other comprehensive loss for the year				
			(\$ 8,482)	-	(\$ 15,552) (1)
8500	Total comprehensive loss for the year				
			(\$ 61,863) (3)		(\$ 98,047) (6)
Loss attributable to:					
8610	Owners of the parent				
			(\$ 24,119) (1)		(\$ 82,495) (5)
8620	Non-controlling interests				
			(29,262) (2)		- -
			(\$ 53,381) (3)		(\$ 82,495) (5)
Other comprehensive loss attributable to:					
8710	Owners of the parent				
			(\$ 32,601) (2)		(\$ 98,047) (6)
8720	Non-controlling interests				
			(29,262) (1)		- -
			(\$ 61,863) (3)		(\$ 98,047) (6)
Basic loss per share					
9750	Total basic loss per share	6(21)			
			(\$ 0.40)		(\$ 1.42)
9850	Total diluted loss per share				
			(\$ 0.40)		(\$ 1.42)

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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent											
Capital Surplus											
Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Changes in ownership interests in subsidiaries	Employee stock warrants	Stock warrants	Others	Legal reserve	Financial statements translation differences of foreign operations	Total	Non-controlling interests	Total equity
<u>2020</u>											
	\$ 580,160	\$ 601,205	\$ -	\$ 42,232	\$ 5,565	\$ 84	(\$ 206,808)	(\$ 18,110)	\$ 1,004,328	\$ -	\$ 1,004,328
	-	-	-	-	-	-	(82,495)	-	(82,495)	-	(82,495)
	-	-	-	-	-	-	(409)	(15,143)	(15,552)	-	(15,552)
	-	-	-	-	-	-	(82,904)	(15,143)	(98,047)	-	(98,047)
6(12)	-	-	-	8,786	-	-	-	-	8,786	-	8,786
	\$ 580,160	\$ 601,205	\$ -	\$ 51,018	\$ 5,565	\$ 84	(\$ 289,712)	(\$ 33,253)	\$ 915,067	\$ -	\$ 915,067
<u>2021</u>											
	\$ 580,160	\$ 601,205	\$ -	\$ 51,018	\$ 5,565	\$ 84	(\$ 289,712)	(\$ 33,253)	\$ 915,067	\$ -	\$ 915,067
	-	-	-	-	-	-	(24,119)	-	(24,119)	(29,262)	(53,381)
	-	-	-	-	-	-	(544)	(7,938)	(8,482)	-	(8,482)
	-	-	-	-	-	-	(24,663)	(7,938)	(32,601)	(29,262)	(61,863)
6(22)	-	-	-	-	-	-	-	-	-	1,700,000	1,700,000
6(12)	-	993	-	2,995	-	-	-	-	3,988	-	3,988
6(22)	-	-	54	-	-	-	-	-	54	(54)	-
6(14)	-	(289,712)	-	-	-	-	289,712	-	-	-	-
6(13)	100,000	295,000	-	-	-	-	-	-	395,000	-	395,000
6(12)	350	2,435	-	(739)	-	-	-	-	2,046	-	2,046
6(13)	606	3,335	-	-	(141)	-	-	-	3,800	-	3,800
	\$ 681,116	\$ 613,256	\$ 54	\$ 53,274	\$ 5,424	\$ 84	(\$ 24,663)	(\$ 41,191)	\$ 1,287,354	\$ 1,670,684	\$ 2,958,038

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, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 43,794)	(\$ 92,175)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including right-of-use assets)	6(6)(7)(18)	38,046	36,600
Amortization expense	6(18)	8,506	642
Expected credit gain	12(2)	(1)	(16)
Interest expense		7,476	3,299
Interest expense of bonds discount amortization		2,592	2,547
Interest income		(988)	(508)
Share-based compensation cost	6(12)	3,988	8,786
Share of loss of associates and joint ventures accounted for using the equity method		6,771	5,583
Loss on disposal of property, plant and equipment	6(17)	-	315
Gains arising from lease modifications	6(17)	(1,154)	(4)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(366)	2,447
Accounts receivable		(205,229)	23,554
Other receivables		(4,396)	113
Prepayments		(13,403)	(282)
Inventories		(75,397)	4,819
Other current assets		(41)	281
Net defined benefit assets		(4)	(22)
Changes in operating liabilities			
Contract liabilities		34,665	6,349
Notes payable		1,098	(266)
Accounts payable		36,308	(28,936)
Other payables		6,163	7,892
Provisions for liabilities - current		(4,433)	-
Other current liabilities		(84)	(286)
Cash outflow generated from operations		(203,677)	(19,268)
Interest received		988	508
Interest paid		(7,476)	(3,299)
Interest taxes refunded (paid)		(1,619)	631
Net cash flows used in operating activities		(211,784)	(21,428)

(Continued)

METATECH (AP) INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 1,402,658)	(\$ 811)
Acquisition of property, plant and equipment	6(23)	(5,507)	(7,847)
Proceeds from disposal of property, plant and equipment	6(6)	-	385
Decrease in guarantee deposit received		699	(1,613)
Increase in prepayment for equipment		(444)	(1,490)
Acquisition of intangible assets	6(8)	-	(19,306)
Increase in other non-current assets		(773)	(443)
Net cash flows used in investing activities		(1,408,683)	(31,125)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		674,460	318,000
Repayments of short-term borrowings		(740,234)	(227,000)
Repayment of principal portion of lease liabilities	6(7)	(18,370)	(18,008)
Increase in guarantee deposit received		-	300
Proceeds from issuance of common stock	6(13)	395,000	-
Cash input from capital increase of non-controlling interests by subsidiary	6(22)	1,700,000	-
Exercise of employee stock		2,046	-
Net cash flows from financing activities		2,012,902	73,292
Effect of exchange rate changes on cash and cash equivalents		(11,705)	(17,201)
Net increase in cash and cash equivalents		380,730	3,538
Cash and cash equivalents at beginning of year	6(1)	367,577	364,039
Cash and cash equivalents at end of year	6(1)	\$ 748,307	\$ 367,577

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

METATECH (AP) INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Metatech (AP) Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in September 1998. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in wholesale and retail of electronic products and equipment as well as development and operation of biomedicine related business. The shares of the Company were officially listed on the Taipei Exchange on June 3, 2004 as approved by the Financial Supervisory Commission.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were reported to the Board of Directors on March 25, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC

Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Defined benefit assets recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
 - (d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified

to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2021	December 31, 2020	
The Company	MetaTech Investment Holding Co., Ltd. (MetaTech Investment)	Investment holding and reinvestment business	100	100	Note 1
"	Chienhwa Travel Service Co., Ltd.	Travel business	100	100	"
"	LOCUS CELL CO., LTD.	Cell R&D and production business	15	100	Note 1、2、3、4
MetaTech Investment	MTI HoldingCo., Ltd.(MTI Holding)	Investment holding and reinvestment business	100	100	Note 1
MTI Holding	MetaTech (S) Pte Ltd.(MetaTech(S))	Wholesale and retail of electronic materials	100	100	"
"	MetaTech Ltd.	Wholesale and retail of electronic materials	100	100	"
MetaTech Ltd.	MetaTech (Shenzhen) Ltd.(MetaTech (SZ))	Wholesale and retail of electronic materials	100	100	"

Note 1 : The information included in these consolidated financial statements as at December 30, 2021 and 2020 is based on the reviewed financial statements of each company. And the information included in these consolidated financial statements as at December 31, 2020 is based on the audited financial statements of each company.

Note 2 : Incorporation registered in October 2020.

Note 3 : The company has assessed that it has control over the company's business and personnel, so it is included in the consolidated financial statements.

Note 4 : Please refer to Note 6(22) for changes in shareholding ratio.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions:

Cash and short-term deposits of \$22,968 deposited in mainland China are under local foreign exchange control which restricts the capital to be remitted outside the borders (except for normal dividend distribution).

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2021 and 2020 ,the non-controlling interest amounted to \$1,670,684 and \$0, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest	
		December 31, 2021	
		Amount	Ownership (%)
LOCUS CELL CO., LTD	Taiwan	\$ 1,670,684	85%

Summarised financial information of the subsidiaries:

Balance sheets

	LOCUS CELL CO.,LTD.	
	December 31, 2021	
Current assets	\$	1,963,815
Non-current assets		71,767
Current liabilities	(	7,131)
Non-current liabilities	(	63,032)
Total net assets	\$	<u>1,965,419</u>

Statements of comprehensive income

	LOCUS CELL CO.,LTD.	
	Year ended December 31, 2021	
Revenue	\$	-
Loss before income tax	(	34,518)
Income tax expense		-
Loss for the period from continuing operations	(	34,518)
Loss from discontinued operations		-
Loss for the period	(	34,518)
Other comprehensive income, net of tax		-
Total comprehensive loss for the period	\$	<u>34,518</u>
Comprehensive loss attributable to non-controlling interest	\$	<u>29,262</u>
Dividends paid to non-controlling interest	\$	<u>-</u>

Cash flows

	LOCUS CELL CO.,LTD.	
	Year ended December 31, 2021	
Net cash used in operating activities	(\$	28,765)
Net cash used in investing activities	(	1,409,691)
Net cash provided by financing activities		1,995,291
Effect of exchange rates on cash and cash equivalents		-
Increase in cash and cash equivalents		<u>556,835</u>
Cash and cash equivalents, beginning of period		<u>1,000</u>
Cash and cash equivalents, end of period	\$	<u>557,835</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange

rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial

recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(13) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership

percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 ~ 50 years
Machinery and equipment	3 ~ 10 years
Transportation equipment	3 ~ 5 years
Office equipment	3 ~ 5 years
Leasehold improvements	3 ~ 10 years
Other equipment	3 ~ 5 years

(15) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

A. The intangible assets are stated at acquired cost and amortised on a straight-line basis over their estimated useful lives of 17 years.

B. The technical skills -Esophagus acquired from an external party are not yet available for use, and therefore are not amortised. It will be tested for impairment annually.

(17) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the

circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.

- B. The recoverable amounts of intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(18) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of goods and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over

the period of circulation using the effective interest method.

- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including ‘bonds payable’ and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Provisions

The Group’s provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of

defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

Sales of goods

- (a) The Group sells electronic products and equipment as an agent. Sales are recognised when control of the products has transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2021, the carrying amount of inventories was \$159,137.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 300	\$ 317
Checking accounts and demand deposits	448,007	338,020
Time deposits	100,000	29,240
Repurchase agreement-cash	200,000	-
	<u>\$ 748,307</u>	<u>\$ 367,577</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits maturing in excess of three months	\$ 1,408,669	\$ 9,013
Time deposits maturing within three months	5,000	-
Reserved accounts for demand deposits	2,004	4,002
	<u>\$ 1,415,673</u>	<u>\$ 13,015</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	<u>\$ 73</u>	<u>\$ 86</u>

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$16,017 and \$13,015, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(3) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 603	\$ 237
Accounts receivable	\$ 479,598	\$ 274,382
Less: Allowance for bad debts	(423)	(436)
	<u>\$ 479,175</u>	<u>\$ 273,946</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 419,447	\$ 338	\$ 232,852	\$ 237
Up to 30 days	53,703	265	37,925	-
31 to 90 days	6,049	-	2,780	-
Over 90 days	399	-	825	-
	<u>\$ 479,598</u>	<u>\$ 603</u>	<u>\$ 274,382</u>	<u>\$ 237</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$300,620.

C. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$603 and \$237; \$479,175 and \$273,946, respectively.

D. The Group does not hold any collateral as security.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 10,936	(\$ 913)	\$ 10,023
Work in progress	12,154	-	12,154
Semi-finished goods	8,611	-	8,611
Finished goods	1,167	-	1,167
Merchandises	140,725	(13,543)	127,182
	<u>\$ 173,593</u>	<u>(\$ 14,456)</u>	<u>\$ 159,137</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 11,752	(\$ 140)	\$ 11,612
Work in progress	1,325	-	1,325
Semi-finished goods	708	-	708
Finished goods	283	-	283
Merchandises	81,691	(11,879)	69,812
	<u>\$ 95,759</u>	<u>(\$ 12,019)</u>	<u>\$ 83,740</u>

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 1,743,766	\$ 1,405,583
Gain on reversal of decline in market value	2,711	(311)
Loss of inventory scrap	298	118
Gain on physical inventory	-	(5)
	<u>\$ 1,746,775</u>	<u>\$ 1,405,385</u>

The Group reversed a previous inventory write-down because inventories with decline in market value and obsolete and slow-moving inventories were actively sold by the Group for the years ended December 31, 2020.

(5) Investments accounted for using the equity method

	December 31, 2021	December 31, 2020
Up Cell Biomedical Inc.	<u>\$ 20,646</u>	<u>\$ 27,417</u>

A. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Up Cell Biomedical Inc.	Taiwan	25.38%	25.38%	Note	Equity method

Note: The Group serves as a legal person director of Up Cell Biomedical Inc. and was elected as the Chairman of the company.

B. The summarised financial information of the associates that are material to the Group is as follows:

(a) Balance sheet

	Up Cell Biomedical Inc.	
	December 31, 2021	December 31, 2020
Current assets	\$ 49,004	\$ 79,105
Non-current assets	37,930	39,096
Current liabilities	(3,397)	(6,703)
Non-current liabilities	(2,211)	(3,495)
Total net assets	<u>\$ 81,326</u>	<u>\$ 108,003</u>
Share in associate's net assets	<u>\$ 20,646</u>	<u>\$ 27,417</u>

(b) Statement of comprehensive income

	Up Cell Biomedical Inc.	
	Years ended December 31,	
	2021	2020
Revenue	\$ -	\$ -
Loss for the period from continuing operations	(\$ 26,677)	(\$ 21,997)
Loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive loss	<u>(\$ 26,677)</u>	<u>(\$ 21,997)</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

(6) Property, plant and equipment

	2021							Total
	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	
At January 1								
Cost	\$ 17,209	\$ 147,199	\$ 62,273	\$ 6,230	\$ 35,264	\$ 21,464	\$ 2,121	\$ 291,760
Accumulated depreciation	-	(22,481)	(13,311)	(3,706)	(27,179)	(10,743)	(1,660)	(79,080)
	<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,524</u>	<u>\$ 8,085</u>	<u>\$ 10,721</u>	<u>\$ 461</u>	<u>\$ 212,680</u>
Opening net book amount as at January 1	\$ 17,209	\$ 124,718	\$ 48,962	\$ 2,524	\$ 8,085	\$ 10,721	\$ 461	\$ 212,680
Additions	-	-	3,062	-	2,494	157	-	5,713
Transfers	-	-	1,389	-	-	-	-	1,389
Depreciation charge	-	(5,885)	(6,945)	(909)	(2,830)	(1,314)	(57)	(17,940)
Net exchange differences	-	-	-	-	(8)	(2)	-	(10)
Closing net book amount as at December 31	<u>\$ 17,209</u>	<u>\$ 118,833</u>	<u>\$ 46,468</u>	<u>\$ 1,615</u>	<u>\$ 7,741</u>	<u>\$ 9,562</u>	<u>\$ 404</u>	<u>\$ 201,832</u>
At December 31								
Cost	\$ 17,209	\$ 147,199	\$ 66,724	\$ 6,224	\$ 37,138	\$ 14,377	\$ 2,121	\$ 290,992
Accumulated depreciation	-	(28,366)	(20,256)	(4,609)	(29,397)	(4,815)	(1,717)	(89,160)
	<u>\$ 17,209</u>	<u>\$ 118,833</u>	<u>\$ 46,468</u>	<u>\$ 1,615</u>	<u>\$ 7,741</u>	<u>\$ 9,562</u>	<u>\$ 404</u>	<u>\$ 201,832</u>

2020

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
At January 1								
Cost	\$ 17,209	\$ 147,199	\$ 57,428	\$ 6,217	\$ 33,997	\$ 21,562	\$ 2,061	\$ 285,673
Accumulated depreciation	-	(16,597)	(7,805)	(2,785)	(25,145)	(9,534)	(1,408)	(63,274)
	<u>\$ 17,209</u>	<u>\$ 130,602</u>	<u>\$ 49,623</u>	<u>\$ 3,432</u>	<u>\$ 8,852</u>	<u>\$ 12,028</u>	<u>\$ 653</u>	<u>\$ 222,399</u>
Opening net book amount as at January 1	\$ 17,209	\$ 130,602	\$ 49,623	\$ 3,432	\$ 8,852	\$ 12,028	\$ 653	\$ 222,399
Additions	-	-	6,045	-	1,765	-	60	7,870
Disposal	-	-	(700)	-	-	-	-	(700)
Depreciation charge	-	(5,884)	(6,006)	(909)	(2,521)	(1,303)	(252)	(16,875)
Net exchange differences	-	-	-	1	(11)	(4)	-	(14)
Closing net book amount as at December 31	<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,524</u>	<u>\$ 8,085</u>	<u>\$ 10,721</u>	<u>\$ 461</u>	<u>\$ 212,680</u>
At December 31								
Cost	\$ 17,209	\$ 147,199	\$ 62,273	\$ 6,230	\$ 35,264	\$ 21,464	\$ 2,121	\$ 291,760
Accumulated depreciation	-	(22,481)	(13,311)	(3,706)	(27,179)	(10,743)	(1,660)	(79,080)
	<u>\$ 17,209</u>	<u>\$ 124,718</u>	<u>\$ 48,962</u>	<u>\$ 2,524</u>	<u>\$ 8,085</u>	<u>\$ 10,721</u>	<u>\$ 461</u>	<u>\$ 212,680</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 1 to 18 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of laboratories, parking spaces and some office premises. Low-value assets comprise printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 64,284	\$ 67,268
Buildings	47,137	58,051
Transportation equipment	286	282
	<u>\$ 111,707</u>	<u>\$ 125,601</u>
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,650	\$ 3,737
Buildings	14,118	15,580
Transportation equipment	338	408
	<u>\$ 20,106</u>	<u>\$ 19,725</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets amounted to \$79,772 and \$18,165, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,506	\$ 2,136
Expense on short-term lease contracts	1,184	141
Expense on leases of low-value assets	125	20

F. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$22,185 and \$20,305, respectively.

(8) Intangible assets

	2021	2020
	<u>Technical skills</u> (Notes 1 and 2)	<u>Technical skills</u> (Notes 1 and 2)
At January 1		
Cost	\$ 277,933	\$ 258,627
Accumulated amortisation	-	-
	<u>\$ 277,933</u>	<u>\$ 258,627</u>
Opening net book amount as at January 1	\$ 277,933	\$ 258,627
Additions - acquired separately	-	19,306
Amortisation charge	(7,803)	-
Closing net book amount as at December 31	<u>\$ 270,130</u>	<u>\$ 277,933</u>
At December 31		
Cost	\$ 277,933	\$ 277,933
Accumulated amortisation	(7,803)	-
	<u>\$ 270,130</u>	<u>\$ 277,933</u>

Note 1: The Group's technical skills-Esophagus are not yet available for use, and therefore are not amortised. It will be amortised on a straight-line basis over their estimated useful life upon being available for use. In accordance with IAS 36, the intangible assets that are not yet available for use should at least be tested for impairment annually by comparing its recoverable amount and the carrying amount.

Note 2: The information about the intangible assets in terms of the capital expenditure contracted for at the balance sheet date but not yet incurred is provided in Note 9(2)C.

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ 27,266	1.32%~1.35%	None
Bank secured borrowings	18,000	1.35%	Note 8
	<u>\$ 45,266</u>		

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	\$ 65,000	1.32%~1.75%	None
Bank secured borrowings	46,000	1.35%~1.62%	Note 8
	<u>\$ 111,000</u>		

(10) Bonds payable

	December 31, 2021	December 31, 2020
Bonds payable	\$ 150,000	\$ 150,000
Less: Conversion of convertible bonds to share common stock	(3,800)	
Less: Discount on bonds payable	-	(2,592)
	<u>146,200</u>	<u>147,408</u>
Less: Current portion or exercise of put options	(146,200)	-
	<u>\$ -</u>	<u>\$ 147,408</u>

A. The terms of the third domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$150 million, 0%, the third domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (January 9, 2019 ~ January 9, 2022) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on January 9, 2019.
- (b) The Company commissioned the Taiwan Business Bank Co., Ltd. to offer a guarantee for its convertible bonds. The guarantee duration is from the date that the borrowing amounts of the convertible bonds are fully collected to the date that the principal, interests and subordinated liabilities of the bonds are fully repaid. Except for the principal, the guarantee also covers interests and all subordinated liabilities, including the delay interest and all payments required to be made in accordance with the terms of bonds issuance and conversion when exercising the early redemption of the bonds by the issuing companies or foreign issuers.
- (c) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue (April 10, 2019) to the maturity date (January 9, 2022), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (d) The conversion price of the bonds, which was NTD 63.30 (in dollars) at the issuance, is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.

- (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue (April 10, 2019) to 40 days before the maturity date (November 30, 2021), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of the third convertible bonds, the equity conversion options amounting to \$5,565 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss - non-current' in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.75%.

C. As of December 31, 2021, the face value of this convertible corporate bond of \$3,800 has been converted into ordinary 60,603 shares of common stock. The Company adjusted the price from September 27, 2021 to 62.7 yuan.

D. The Company has paid off the conversion company with cash of \$146,200 on January 20, 2022.

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. However, the Group ceased to contribute to the labor pension reserve from March 2009 to March 2021 after receiving the approval from the New Taipei City Government. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 9,028	\$ 8,170
Fair value of plan assets	(10,043)	(9,867)
Net defined benefit asset	<u>(\$ 1,015)</u>	<u>(\$ 1,697)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
<u>Year ended December 31, 2021</u>			
Balance at January 1	\$ 8,170	(\$ 9,867)	(\$ 1,697)
Interest (expense) income	<u>81</u>	<u>(79)</u>	<u>2</u>
	<u>8,251</u>	<u>(9,946)</u>	<u>(1,695)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	(97)	(97)
Change in financial assumptions	81	-	81
Experience adjustments	<u>696</u>	<u>-</u>	<u>696</u>
	<u>777</u>	<u>(97)</u>	<u>680</u>
Balance at December 31	<u>\$ 9,028</u>	<u>(\$ 10,043)</u>	<u>(\$ 1,015)</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	\$ 7,298	(\$ 9,484)	(\$ 2,186)
Interest (expense) income	<u>73</u>	<u>(95)</u>	<u>(22)</u>
	<u>7,371</u>	<u>(9,579)</u>	<u>(2,208)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	(288)	(288)
Change in financial assumptions	115	-	115
Experience adjustments	<u>684</u>	<u>-</u>	<u>684</u>
	<u>799</u>	<u>(288)</u>	<u>511</u>
Balance at December 31	<u>\$ 8,170</u>	<u>(\$ 9,867)</u>	<u>(\$ 1,697)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and

Utilisation of the Labor Retirement Fund” (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2021	2020
Discount rate	0.65%	0.80%
Future salary increases	2.25%	2.25%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 135)	\$ 138	\$ 560	(\$ 516)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 143)	\$ 148	\$ 598	(\$ 551)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending

December 31, 2022 amount to \$0.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 8.3 years.

(h) The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	3,995
1-2 year(s)		2,344
2-5 years		1,041
	<u>\$</u>	<u>7,380</u>

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The employee retirement plans of MetaTech(S) and MetaTech Ltd. were based on the defined contribution plan in accordance with the relevant regulations applied by the local government.

(c) MetaTech(SZ) has a defined contribution plan. Monthly contribution to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The abovementioned contribution percentage for the years ended December 31, 2021 and 2020 were both 13%. Other than the monthly contributions, the Group has no further obligations.

(d) For the aforementioned pension plan, the Group recognised pension costs of \$6,318 and \$4,943 for the years ended December 31, 2021 and 2020, respectively.

(12) Share-based payment

A. For the years ended December 31, 2021 and 2020, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options	2018.04.02	2,280 thousand shares	6 years	2 ~ 5 years' service
Employee stock options	2018.05.14	1,297 thousand shares	6 years	2 ~ 5 years' service
Employee stock options	2018.11.15	423 thousand shares	6 years	2 ~ 5 years' service
Cash capital increase reserved for employee preemption	2021.09.27	247 thousand shares	NA	NA

The share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

	2021		2020	
	No. of options	Weighted-average exercise price	No. of options	Weighted-average exercise price
		(in dollars)		(in dollars)
Options outstanding at January 1	2,909,000	58.40	4,000,000	\$ 58.36
Options exercised	(35,000)	58.48	-	-
Options expired	(288,000)	56.49	(1,091,000)	58.25
Options outstanding at December 31	<u>2,586,000</u>	57.94	<u>2,909,000</u>	58.40
Options exercisable at December 31	<u>1,422,300</u>	57.94	<u>1,018,150</u>	58.40

C. The Group did not have any options exercised for the years ended December 30, 2021 and 2020.

D. For the years ended December 31, 2021 and 2020, the range of exercise prices of stock options outstanding was \$54.50 ~ \$58.60 (in dollars), respectively; the weighted-average remaining contractual period was 2.32 years and 3.35 years, respectively.

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	2018.04.02	58.5	58.5	44.54~46.90% (Note)	4 ~ 5.5 years	-	0.64~0.76%	20.61~24.70
Employee stock options	2018.05.14	59.2	59.2	44.25~47.03% (Note)	4 ~ 5.5 years	-	0.67~0.76%	20.76~25.07
Employee stock options	2018.11.15	55.0	55.0	40.56~48.61% (Note)	4 ~ 5.5 years	-	0.73~0.83%	17.88~24.44

Note : The expected price volatility is estimated based on the annualised standard deviation by reference to the historical daily rate of returns of the Company (code: 3224) over the length of period approximating the expected option life.

F. Expenses incurred on share-based payment transactions are shown below:

	2021	2020
Equity-settled	\$ <u>3,988</u>	\$ <u>8,786</u>

(13) Share capital

A. As of December 31, 2021, the Company's authorised capital was \$2,000,000, consisting of 200 million shares of ordinary stock (including 15 million shares reserved for employee stock options), and the paid-in capital was \$680,160, consisting of 68,016 thousand shares outstanding, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2021	2020
	No. of shares	No. of shares
At January 1	58,016,045	58,016,045
Employee stock options exercised	35,000	-
Cash capital increase	10,000,000	-
Conversion of convertible bonds to share common stock	60,603	-
At December 31	<u>68,111,648</u>	<u>58,016,045</u>

B. On August 11, 2020, the Company increased its capital by issuing 10,000,000 shares, with a par value of \$10 per share, and an issue price of \$39.5 through board resolution. The date of the capital increase was set on September 27, 2021. The above capital increase was registered.

C. In December, 2021, the Company converted the convertible bonds into 60,603 ordinary shares.

(14) Capital surplus

A. Pursuant to Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The information regarding capital surplus - share options and employee share options is provided in Notes 6(12) and (13).

C. On July 20, 2021, capital surplus used to cover accumulated deficit amounting to \$289,712 had been approved by the Financial Supervisory Commission and registered.

(15) Accumulated deficit

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remaining earnings along with unappropriated earnings of prior years will be retained or distributed as proposed by the Board of Directors and resolved by the shareholders. Regarding the bonus distributed to the shareholders, cash dividends shall account for at least 30% of the total distribution and the remainder is distributed in shares.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included

in the distributable earnings.

- D. The Group incurred accumulated deficit as of December 31, 2019 and 2020, and thus had no earnings for distribution. On June 30, 2020 and July 20, 2021, the shareholders approved the deficit compensation of 2019 and 2020, respectively.

(16) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

	2021						
	Hong Kong and Mainland China	Southeast Asia	Taiwan		Others	Write-offs	Total
			Electronics	Biomedicine			
Total segment revenue	\$ 774,694	\$ 549,913	\$ 507,369	\$ 200,939	\$ 124	(\$ 21,222)	\$ 2,011,817
Inter-segment revenue	(16,748)	(488)	(3,921)	-	(65)	21,222	-
Revenue from external customer contracts	<u>\$ 757,946</u>	<u>\$ 549,425</u>	<u>\$ 503,448</u>	<u>\$ 200,939</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 2,011,817</u>
Timing of revenue recognition							
At a point in time	\$ 757,946	\$ 549,425	\$ 503,448	\$ 200,912	\$ 59	\$ -	\$ 2,011,790
Over time	-	-	-	27	-	-	27
	<u>\$ 757,946</u>	<u>\$ 549,425</u>	<u>\$ 503,448</u>	<u>\$ 200,939</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 2,011,817</u>
	2020						
	Hong Kong and Mainland China	Southeast Asia	Taiwan		Others	Write-offs	Total
			Electronics	Biomedicine			
Total segment revenue	\$ 630,357	\$ 385,759	\$ 620,150	\$ 10,836	\$ 339	(\$ 71,362)	\$ 1,576,079
Inter-segment revenue	(66,947)	(1,038)	(3,122)	-	(255)	71,362	-
Revenue from external customer contracts	<u>\$ 563,410</u>	<u>\$ 384,721</u>	<u>\$ 617,028</u>	<u>\$ 10,836</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 1,576,079</u>
Timing of revenue recognition							
At a point in time	\$ 563,410	\$ 384,721	\$ 617,028	\$ 9,920	\$ 84	\$ -	\$ 1,575,163
Over time	-	-	-	916	-	-	916
	<u>\$ 563,410</u>	<u>\$ 384,721</u>	<u>\$ 617,028</u>	<u>\$ 10,836</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 1,576,079</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities:			
Advance sales receipts	<u>\$ 44,149</u>	<u>\$ 9,484</u>	<u>\$ 3,135</u>

(a) Significant changes in contract liabilities

None.

- (b) Revenue recognised that was included in the contract liability balance at the beginning of the period.

	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the Advance sales receipts	<u>\$ 7,815</u>	<u>\$ 2,997</u>

(17) Other gains and losses

	Years ended December 31	
	2021	2020
Losses on disposals of property, plant and equipment	\$ -	(\$ 315)
Gains arising from lease modifications	1,154	4
Net currency exchange losses	(40)	(3,686)
Other losses	(1,846)	-
	<u>(\$ 732)</u>	<u>(\$ 3,997)</u>

(18) Expenses by nature

Function Nature	Years ended December 31,					
	2021			2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense	\$ 2,751	\$ 145,861	\$ 148,612	\$ 1,643	\$ 132,477	\$ 134,120
Depreciation Expense	4,032	34,014	38,046	7,190	29,410	36,600
Amortisation Expense	7,803	703	8,506	-	642	642

(19) Employee benefit expense

	2021	2020
Wages and salaries	\$ 121,202	\$ 104,921
Employee stock options	3,988	8,786
Labour and health insurance fees	8,658	7,303
Pension costs	6,320	4,921
Directors' remuneration	3,453	2,360
Other personnel expenses	4,991	5,829
	<u>\$ 148,612</u>	<u>\$ 134,120</u>

A. Under the amended Company's Articles of Incorporation, the current year's earnings, if any, shall first be reserved to cover accumulated deficit amount. The remainder, if any, shall be distributed as employees' compensation at 1%-5%.

B. As of December 31, 2021 and 2020, no employees' compensation and directors' remuneration were accrued due to accumulated deficit of the Company.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	<u>2021</u>	<u>2020</u>
Current tax:		
Current tax on profits for the year	\$ 4,626	\$ 1,079
Prior year income tax (over) understimation	<u>1,005</u>	<u>62</u>
Total current tax	5,631	1,141
Deferred tax:		
Origination and reversal of temporary differences	<u>3,956</u>	<u>(10,821)</u>
Income tax expense (benefit)	<u>\$ 9,587</u>	<u>(\$ 9,680)</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>2021</u>	<u>2020</u>
Currency translation differences	\$ 3,712	\$ 2,059
Remeasurement of defined benefit obligations	<u>136</u>	<u>102</u>
	<u>\$ 3,848</u>	<u>\$ 2,161</u>

B. Reconciliation between income tax benefit and accounting profit

	<u>2021</u>	<u>2020</u>
Tax calculated based on loss before tax and statutory tax rate (note)	(\$ 3,902)	(\$ 16,404)
Expenses disallowed by tax regulation	13,209	7,450
Change in assessment of realisation of deferred	(7,297)	(788)
Prior year income tax overestimation	1,005	62
Taxable loss not recognised as deferred tax assets	<u>6,572</u>	<u>-</u>
Income tax expense (benefit)	<u>\$ 9,587</u>	<u>(\$ 9,680)</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
– Temporary differences:				
Loss on inventory	\$ 661	\$ 583	\$ -	\$ 1,244
Adjustment to unused paid annual leave	240	-	-	240
Currency translation differences	5,884	-	3,712	9,596
Remeasurement of defined benefit obligations	749	-	136	885
Unrealized exchange loss	28	(28)	-	-
Onerous contracts provision	1,164	(1,164)	-	-
Lease liability	-	-	-	-
Others	149	-	-	149
– Tax losses	<u>79,923</u>	<u>(555)</u>	<u>-</u>	<u>79,368</u>
Subtotal	<u>88,798</u>	<u>(1,164)</u>	<u>3,848</u>	<u>91,482</u>
Deferred tax liabilities:				
– Temporary differences:				
Share of profit or loss of associates and joint ventures accounted for using equity method	(15,344)	(2,735)	-	(18,079)
Unrealised exchange gain	-	(57)	-	(57)
Pension	(189)	-	-	(189)
Subtotal	<u>(15,533)</u>	<u>(2,792)</u>	<u>-</u>	<u>(18,325)</u>
Total	<u>\$ 73,265</u>	<u>(\$ 3,956)</u>	<u>\$ 3,848</u>	<u>\$ 73,157</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
– Temporary differences:				
Loss on inventory	\$ 242	\$ 419	\$ -	\$ 661
Adjustment to unused paid annual leave	240	-	-	240
Currency translation differences	3,825	-	2,059	5,884
Remeasurement of defined benefit obligations	647	-	102	749
Unrealized exchange loss	-	28	-	28
Onerous contracts provision	1,164	-	-	1,164
Lease liability	326	(326)	-	-
Others	149	-	-	149
– Tax losses	<u>67,949</u>	<u>11,974</u>	<u>-</u>	<u>79,923</u>
Subtotal	<u>74,542</u>	<u>12,095</u>	<u>2,161</u>	<u>88,798</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax liabilities:				
– Temporary differences:				
Share of profit or loss of associates and joint ventures accounted for using equity method	(13,862)	(1,482)		(15,344)
Unrealised exchange gain	(208)	208	-	-
Pension	(189)	-	-	(189)
Subtotal	<u>(14,259)</u>	<u>(1,274)</u>	<u>-</u>	<u>(15,533)</u>
Total	<u>\$ 60,283</u>	<u>\$ 10,821</u>	<u>\$ 2,161</u>	<u>\$ 73,265</u>

D. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	Amount assessed	\$ 17,232	\$ 17,232	2022
2013	Amount assessed	15,876	15,876	2023
2014	Amount assessed	12,959	12,959	2024
2015	Amount assessed	21,087	21,087	2025
2016	Amount assessed	42,849	12,855	2026
2017	Amount assessed	28,478	8,543	2027
2018	Amount assessed	82,217	24,665	2028
2019	Amount assessed	131,452	-	2029
2020	Amount filed	104,225	-	2030
2021	Amount estimated	53,679	-	2031
		<u>\$ 510,054</u>	<u>\$ 113,217</u>	

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2010	Amount assessed	\$ 18,341	\$ 18,341	2020
2011	Amount assessed	14,982	14,982	2021
2012	Amount assessed	17,232	17,232	2022
2013	Amount assessed	15,876	4,763	2023
2014	Amount assessed	12,959	3,888	2024
2015	Amount assessed	21,087	6,326	2025
2016	Amount assessed	42,849	12,855	2026
2017	Amount assessed	28,478	-	2027
2018	Amount assessed	82,217	-	2028

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019	Amount filed	131,452	-	2029
2020	Amount estimated	92,526	-	2030
		<u>\$ 477,999</u>	<u>\$ 78,387</u>	

(21) Losses per share

Year ended December 31, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 24,119)</u>	<u>60,646</u>	<u>(\$ 0.40)</u>

Year ended December 31, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic losses per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 82,495)</u>	<u>58,016</u>	<u>(\$ 1.42)</u>

For the years ended December 31, 2021 and 2020, the employee stock options and convertible bonds issued by the Group were excluded from the calculation of diluted earnings per share since such options and bonds were anti-dilutive.

(22) Transactions with non-controlling interest

The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary.

Subsidiary LOCUS CELL CO., LTD. of the Group increased its capital by issuing new shares on May 14, 2021. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 85%. The transaction decreased non-controlling interest by \$54 and increased the equity attributable to owners of parent by \$54.

(23) Supplemental cash flow information

A. Investing activities with partial cash payments

	2021	2020
Purchase of property, plant and equipment	\$ 7,102	\$ 7,870
Add: Opening balance of payable on equipment	79	56
Less: Ending balance of payable on equipment	(285)	(79)
Less: Opening balance of prepayments on equipment	(1,389)	-
Cash paid during the period	<u>\$ 5,507</u>	<u>\$ 7,847</u>

B. Financing activities with no cash flow effects

	2021	2020
Prepayments for equipment being converted to property, plant and equipment	<u>\$ 1,389</u>	<u>\$ -</u>

(24) Changes in liabilities from financing activities

	2021				
	Short-term borrowings	Bonds payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities
At January 1	\$ 111,000	\$ 147,408	\$ 129,160	\$ 300	\$ 387,868
Changes in cash flow from financing activities	(65,774)	-	(18,370)	-	(84,144)
Impact of changes in foreign exchange rate	-	-	-	-	-
Changes in other non-cash items	-	(1,208)	5,056	-	3,848
At December 31	<u>\$ 45,226</u>	<u>\$ 146,200</u>	<u>\$ 115,846</u>	<u>\$ 300</u>	<u>\$ 307,572</u>
	2020				
	Short-term borrowings	Bonds payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities
At January 1	\$ 20,000	\$ 144,861	\$ 129,539	\$ -	\$ 294,400
Changes in cash flow from financing activities	91,000	-	(18,008)	300	73,292
Impact of changes in foreign exchange rate	-	-	(142)	-	(142)
Changes in other non-cash items	-	2,547	17,771	-	20,318
At December 31	<u>\$ 111,000</u>	<u>\$ 147,408</u>	<u>\$ 129,160</u>	<u>\$ 300</u>	<u>\$ 387,868</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Up Cell Biomedical Inc.	Investee company accounted for using the equity method

(2) Significant related party transactions

A. Operating revenue:

	2021	2020
Income:		
Associates	\$ 1,523	\$ -

The collection term for related parties is determined according to the gross profits in mutual agreement and the credit term is 90 days after monthly billing. The collection term to general customers is 30 to 90 days after monthly billing.

B. Non-operating revenue:

	2021	2020
Other income:		
Associates	\$ -	\$ 17

The other income from related parties arise mainly from rental contracts which are made from 2019 to 2020. Rents are paid at the end of the month.

C. Other payables:

	Years ended December 31,	
	2021	2020
Associates	\$ 100	\$ -

D. Operating cost:

	2021	2020
Interest expense:		
Associates	\$ 1,032	\$ -

(3) Key management compensation

	2021	2020
Salaries and other short-term employee benefits	\$ 13,374	\$ 12,918
Post-employment benefits	420	409
Share-based payment	1,534	1,857
	\$ 15,328	\$ 15,184

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2021	December 31, 2020	
Financial assets at amortised cost			
-Time deposits maturing in excess of three months	\$ 9,013	\$ 9,013	Guarantee for customs, credit card and performance bond of lease agreements
-Reserve account for demand deposits	2,004	4,002	Guarantee for limit on short-term borrowings

	Book value		Purpose
	December 31, 2021	December 31, 2020	
Restricted bank deposits	5,000		Guarantee for limit on short-term borrowings
Property, plant and equipment			
-Land	17,209	17,209	Guarantee for short-term credit line
-Buildings and structures	26,286	27,076	"
	<u>\$ 59,512</u>	<u>\$ 57,300</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. On December 31, 2021 and 2020, guaranteed notes as well as endorsements and guarantees amounting to \$13,840 (USD 500 thousand) and \$14,240 (USD 500 thousand), respectively, were issued for subsidiaries' borrowings.

B. The joint credit line of the Group for financial institution short-term secured borrowings was NTD 85 million and NTD 50 million on December 31, 2021 and 2020. As of December 31, 2021 and 2020, the promissory note amounting to NTD 85 million and NTD 65 million was issued to bank as guarantee and the abovementioned joint credit line amounting to NTD 27.197 million and NTD 50 million was used, respectively.

C. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2021	December 31, 2020
Intangible assets	<u>\$ 13,482</u>	<u>\$ 15,489</u>

Note: The Company entered into a start-up agreement of cell sheet regenerative medical cooperation with Japan CellSeed Inc. on December 21, 2016 with the consideration amounting to JPY 50 million for expanding biomedical research and development, business development, as well as promoting the Company's innovative transformation of regenerative medicine. The Board of Directors during its meeting on June 24, 2017 adopted a resolution to enter into a cooperation agreement of abovementioned cell sheet regenerative medicine with Japan CellSeed Inc., which was formally signed on April 24, 2017 with the consideration amounting to JPY 1.25 billion. As of December 31, 2021, the Company has paid JPY 1,243,942,865 in respect of the payment schedule for arrangement.

10. Significant Disaster Loss

None.

11. Significant Events After the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 748,307	\$ 367,577
Financial assets at amortised cost	1,415,673	13,015
Notes receivable	603	237
Accounts receivable	479,175	273,946
Other receivables	6,593	2,197
Guarantee deposits paid (shown as 'other non-current assets')	7,632	8,331
	<u>\$ 2,657,983</u>	<u>\$ 665,303</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 45,226	\$ 111,000
Notes payable	1,422	324
Accounts payable	169,855	133,547
Other payables	35,174	28,805
Bonds payable(including current portion)	146,200	147,408
Guarantee deposits received (shown as 'other non-current liabilities')	300	300
	<u>\$ 398,177</u>	<u>\$ 421,384</u>
Lease liability	<u>\$ 115,846</u>	<u>\$ 129,160</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: HKD and SGD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 12,347	27.680	\$ 341,765
USD:HKD	9,317	7.7994	257,895
JPY:NTD	22,437	0.2405	5,396
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,460	27.680	68,093
USD:HKD	3,389	7.7994	93,808

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 3,640	28.480	\$ 103,667
USD:HKD	7,295	7.7536	207,762
JPY:NTD	3,064	0.2763	847
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,168	28.480	61,745
USD:HKD	1,928	7.7536	54,909

- v. The total exchange gain (losses) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to (\$40) and (\$3,686), respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		2021		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income after tax
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	3,418	\$ -
USD:HKD	1%		2,579	-
JPY:NTD	1%		54	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		681	-
USD:HKD	1%		938	-
		2020		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income after tax
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	1,037	\$ -
USD:HKD	1%		2,078	-
JPY:NTD	1%		8	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		617	-
USD:HKD	1%		549	-

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and notes receivable based on the agreed terms, as well as the contract cash flows of financial assets at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only above investment grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for

managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management . The utilisation of credit limits is regularly monitored. Credit risk arises from credit exposures to wholesale and retail customers, including outstanding receivables.

- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) Default or delinquency in interest or principal repayments;
 - (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.
- vii. After the recourse procedure, the Group will pay the amount of financial assets that cannot reasonably be expected to be recovered. These will be written off, but the Group will continue to carry out legal proceedings of recourse to preserve the rights of the debt profit. The Group had no write offs and there are still claims for recourse activities.
- viii. The Group incorporates forward-looking considerations into the future in the Business Observation Report of the Taiwan Economic Research Institute, and adjusts the loss rate established based on historical and current information for a specific period to estimate the allowance loss for accounts receivable (including related parties) and loss at December 31, 2021 and 2020. The rate method is as follows:

	Not past due	Up to 30 days past due	Up to 90 days past due	Over 90 days	Total
<u>At December 31, 2021</u>					
Expected loss	0.03%	0.03%	0.07%	50%~100%	
Total book value	419,447	53,703	6,049	399	479,598
Loss allowance	126	27	4	266	423
<u>At December 31, 2020</u>					
Expected loss	0.03%	0.03%	0.07%	40%~100%	
Total book value	232,852	37,925	2,780	825	274,382
Loss allowance	70	11	2	353	436

- ix. The Group did not recognise loss allowance for accounts receivable applied using the simplified approach since it was not material for the years ended December 31, 2021 and 2020.

	2021		2020	
At January 1	\$	436	\$	476
Reversal of impairment loss	(	1)	(	16)
Effect of exchange rate changes	(	12)	(	24)
At December 31	\$	423	\$	436

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	\$ 45,437	\$ -	\$ -
Notes payable	1,422	-	-
Accounts payable	169,855	-	-
Other payables	35,174	-	-
Lease liability	15,109	50,192	62,229
Bonds payable	146,200	-	-

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	\$ 111,594	\$ -	\$ -
Notes payable	324	-	-
Accounts payable	133,547	-	-
Other payables	28,805	-	-
Lease liability	19,023	49,815	73,760
Bonds payable	-	150,000	-

(3) Fair value information

A. The Group has determined that the book value of financial assets and liabilities that does not use fair value is approximate to fair value, including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable and other payables.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in certain derivative instruments is included in Level 3.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

	December 31, 2021	December 31, 2020
Assets		
<u>Recurring fair value measurements</u>		
Financial assets at fair value through profit or loss		
-Options embedded in convertible bonds	\$ -	\$ -

D. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021	2020
At January 1	\$ -	\$ -
Issued in the period	-	-
Valuation profit	-	-
At December 31	\$ -	\$ -

- E. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative instrument Options	\$ -	Binomial model	Volatility	38.58%	The higher the volatility, the higher the fair value

(4) Others matters

In response to the impact of the Covid-19 pandemic, the Group cooperated with the Central Epidemic Command Center announced related measures and epidemic prevention regulations related to the Infectious Disease Prevention and Control Act, implemented work-from-home measures and strengthened staff health management. The Group's financial condition and continued operations have not been significantly impacted by the Covid-19 pandemic and the government's promotion of various anti-epidemic measures.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Information on investees in the Mainland Area: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 4.

(4) Major shareholders information

Major shareholders information: Please refer to table 6.

14. Operating Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group considers the business from a geographic perspective.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on a measure of adjusted EBITDA.

(3) Segment information

The segment information provided by the Group to the chief operating decision-maker for the reportable segments is as follows:

	2021						
	Hong Kong and Mainland China	Southeast Asia	Taiwan		Others	Write-offs	Total
			Electronics	Biomedicine			
Revenue from external customers	\$ 757,946	\$549,425	\$503,448	\$ 200,939	\$ 59	\$ -	\$ 2,011,817
Inter-segment revenue	16,748	488	3,921	-	65	(21,222)	-
Total segment revenue	\$ 774,694	\$549,913	\$507,369	\$ 200,939	\$ 124	(\$ 21,222)	\$ 2,011,817
Segment income (loss)	\$ 38,789	\$ 8,581	\$ 24,371	(\$ 111,115)	(\$ 1,150)	\$ 4,487	(\$ 36,037)
Depreciation and amortisation	\$ 4,413	\$ 894	\$ 3,002	\$ 38,244	\$ -	\$ -	\$ 46,553

	2020						
	Hong Kong and	Southeast	Taiwan			Write-offs	Total
	Mainland China	Asia	Electronics	Biomedicine	Others		
Revenue from external customers	\$ 563,410	\$384,721	\$617,028	\$ 10,836	\$ 84	\$ -	\$ 1,576,079
Inter-segment revenue	66,947	1,038	3,122	-	255	(71,362)	-
Total segment revenue	<u>\$ 630,357</u>	<u>\$385,759</u>	<u>\$620,150</u>	<u>\$ 10,836</u>	<u>\$ 339</u>	<u>(\$ 71,362)</u>	<u>\$ 1,576,079</u>
Segment income (loss)	\$ 18,912	\$ 6,001	(\$ 10,999)	(\$ 94,015)	(\$ 1,122)	\$ 958	(\$ 80,265)
Depreciation and amortisation	\$ 4,606	\$ 951	\$ 2,670	\$ 29,015	\$ -	\$ -	\$ 37,242

The Group did not provide information to the chief operating decision-maker with respect to the measurement amounts of total assets and liabilities for decision making.

(4) Reconciliation for segment income (loss)

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2021 and 2020 is provided as follows:

	2021	2020
Reportable segments loss	(\$ 36,037)	(\$ 80,265)
Interest income	988	508
Other income	8,826	3,008
Other gains and losses	(732)	(3,997)
Finance costs	(10,068)	(5,846)
Share of loss of associates and joint ventures accounted for using the equity method	(6,771)	(5,583)
Loss before tax from continuing operations	<u>(\$ 43,794)</u>	<u>(\$ 92,175)</u>

(5) Information on products and services

Please refer to Note 6 (16) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Hongkong and China	\$ 757,946	\$ 7,770	\$ 563,410	\$ 3,914
Taiwan	704,446	579,658	627,948	616,253
Singapore	549,425	443	384,721	1,255
Total	<u>\$ 2,011,817</u>	<u>\$ 587,871</u>	<u>\$ 1,576,079</u>	<u>\$ 621,422</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2021 and 2020 is as follows:

	<u>Year ended December 31, 2021</u>		<u>Year ended December 31, 2020</u>	
	<u>Revenue</u>	<u>Segment</u>	<u>Revenue</u>	<u>Segment</u>
A	\$ 204,124	10%	\$ 286,374	18%

Metatech (AP) Inc. and Subsidiaries

Loans to others

For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Metatech (AP) Inc.	MetaTech(S) Pte Ltd.	Other receivables	Y	27,850	27,680	19,376	1.33%	Short-term financing	-	Operations	-	-	-	\$ 257,471	\$ 514,942	Notes 3 and 5
1	MTI Holding Co., Ltd.	Metatech (AP) Inc.	Other receivables	Y	57,070	-	-	1.30%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5
1	MTI Holding Co., Ltd.	MetaTech(S) Pte Ltd.	Other receivables	Y	55,700	55,360	41,520	1.48%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5
1	MTI Holding Co., Ltd.	MetaTech Ltd.	Other receivables	Y	28,535	27,680	13,840	1.33%	Short-term financing	-	Operations	-	-	-	339,751	424,689	Notes 4 and 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0' .

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the company's "Regulations for Provision of Loans", the interest rate of loans to others should be no less than the average interest rate of the Company's short-term funds borrowed from financial institutions at that time.

Note 3: According to the Company's "Regulations for Provision of Loans", the Company's ceiling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 40% of the creditor's net assets.

C. The limit on total loans to the same party is 20% of the Company's net assets.

Note 4: According to the subsidiary's "Regulations for Provision of Loans", the subsidiary's ceiling on total loans granted to others are as follows:

A. For business transactions, the accumulated loan amount is the transaction amount.

B. For short-term financing, the total amount is lower than 100% of the creditor's net assets.

C. The limit on total loans to the same party is 80% of the subsidiary's net assets.

The subsidiary's ceiling on total loans granted to related parties, which its 100% voting shares directly or indirectly held by the parent Company and to the same party is 100% and 80% of the subsidiary's net assets, respectively.

Note 5: The current period ending balance was translated into TWD at the exchange rate at the balance sheet date (1USD:27.68TWD).

Metatech (AP) Inc. and Subsidiaries
Provision of endorsements and guarantees to others
For the year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Metatech (AP) Inc.	MetaTech Ltd.	The Company's third-tier subsidiary	\$ 643,677	\$ 14,268	\$ 13,840	\$ 13,840	\$ -	1.08	\$ 1,287,354	Y	N	N	Notes 2,3 and 4
1	MetaTech Ltd.	Metatech (AP) Inc.	Parent company	119,831	-	-	-	-	-	239,661	N	Y	N	Notes 2 and 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on endorsements/guarantees provided for a single party is 50% of the Company's net assets.

Note 3: According to the Company's "Regulations for Provision of Endorsements and Guarantees", the Company's limit on total endorsements/guarantees is 100% of the Company's net assets.

Note 4: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on endorsements/guarantees provided for a single party is 50% of the Subsidiary's net assets.

Note 5: According to the Subsidiary's "Regulations for Provision of Endorsements and Guarantees", the Subsidiary's limit on total endorsements/guarantees is 100% of the Subsidiary's net assets.

Note 6: The current period ending balance was translated into TWD at the exchange rate at the balance sheet date (1USD:27.68TWD).

Metatech (AP) Inc. and Subsidiaries
 Significant inter-company transactions during the reporting periods
 For the year ended December 31, 2021

Table 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
0	Metatech (AP) Inc.	MetaTech Ltd.	1	Sales revenue	\$ 3,001	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other income	1,023	Administrative service fees and payment on behalf of others, 90 days after monthly billing	0%
0	"	"	1	Accounts receivable	14	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other receivables	4,675	Administrative service fees and payment on behalf of others, 90 days after monthly billing	0%
0	"	MetaTech (S) Pte Ltd.	1	Sales revenue	920	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other income	293	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Accounts receivable	425	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
0	"	"	1	Other receivables	25,275	Administrative service fees and short-term capital financing, 90 days after monthly billing	1%
0	"	Chienhwa Travel Service Co.,Ltd.	1	Rental revenue	57	Prices are determined according to the amount in mutual agreement	0%
0	"	MTI Holding Co., Ltd.	1	Other receivables	20	Advance payment, 90 days after monthly billing	0%
0	"	LOCUS CELL CO., LTD.	1	Rental revenue	3,112	Prices are determined according to the amount in mutual agreement	0%
1	MetaTech (S) Pte Ltd.	Metatech (AP) Inc.	2	Sales revenue	434	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
1	"	"	2	Accounts receivable	257	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
1	"	MetaTech Ltd.	3	Sales revenue	54	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	MetaTech Ltd.	Metatech (AP) Inc.	2	Sales revenue	4,793	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	"	"	2	Other receivables	15	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	0%
2	"	MetaTech (S) Pte Ltd.	3	Sales revenue	11,955	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
2	"	MetaTech (Shenzhen) Ltd.	3	Sales revenue	26,397	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
2	"	"	3	Service revenue	29,847	Prices are determined according to the gross profits in mutual agreement, 90 days after monthly billing	1%
3	Chienhwa Travel Service Co.,Ltd.	Metatech (AP) Inc.	2	Service revenue	65	Services rendered terms and the credit term are the same with third parties	0%
3	"	"	2	Other receivables	91	Advance payment, 30 days after monthly billing	0%
3	"	"	2	Guarantee deposits	30	Securities deposits are determined according to the amount in mutual agreement	0%
4	Chienhwa Travel Service Co., Ltd.	Metatech (AP) Inc.	3	Other receivables	13,873	short-term capital financing and interest receivables	0%
4	"	"	3	Other receivables	41,763	short-term capital financing and interest receivables	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1)Parent company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1)Parent company to subsidiary.
- (2)Subsidiary to parent company.
- (3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The sales prices and credit terms are the same with the third parties. The credit terms on sales to third parties were 30 to 90days.

Metatech (AP) Inc. and Subsidiaries
Information on investees
For the year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Metatech (AP) Inc.	MetaTech Investment Holding Co., Ltd.	British Virgin Islands	Investment holding and reinvestment business	\$ 333,065	\$ 333,065	10,000,000	100	\$ 424,689	\$ 45,597	\$ 45,597	Subsidiary
Metatech (AP) Inc.	Chienhwa Travel Service Co., Ltd.	Taiwan	Travel business	3,400	3,400	800	100	1,683	(666)	(666)	Subsidiary
Metatech (AP) Inc.	Up Cell Biomedical Inc.	Taiwan	Cell sheet development and medical production	33,000	33,000	3,300,000	25.38	20,646	(26,677)	(6,771)	Investee accounted for using the equity method
Metatech (AP) Inc.	LOCUS CELL CO., LTD.	Taiwan	Cell therapy phase available product and commissioned to Manufacturing Services	300,000	1,000	200,000,000	15	294,734	(34,518)	(5,237)	Subsidiary
MetaTech Investment Holding Co., Ltd.	MTI Holding Co., Ltd.	Samoa	Investment holding and reinvestment business	333,065	333,065	10,000,000	100	424,689	45,597	45,597	Sub-subsidiary
MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Singapore	Wholesale and retail of electronic materials	82,259	82,259	3,800,000	100	125,171	7,763	7,763	Third-tier subsidiary
MTI Holding Co., Ltd.	MetaTech Ltd.	Hong Kong	Wholesale and retail of electronic materials	199,170	199,170	46,000,000	100	239,661	37,518	37,518	Third-tier subsidiary

Metatech (AP) Inc. and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31,2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MetaTech (Shenzhen) Ltd.	Wholesale and retail of electronic materials	\$ 72,652	Through investing in an existing company in the third areas, which then invested in the investee in Mainland China	\$ 72,652	\$ -	\$ -	\$ 72,652	\$ 14,814	100	\$ 14,814	\$ 47,674	\$ -	Notes 1,2 and 3

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Celling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Metatech (AP) Inc.	\$ 72,652	\$ 73,482	\$ 1,774,823

Note 1: Through investing in the subsidiary, MetaTech Investment Holding Co, Ltd in the third areas by cash and reinvesting by its second-tier subsidiary, MetaTech Ltd. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: The amount of investment income (loss) recognised is the amount recognised in the financial statements of the investee that were reviewed by R.O.C parent company's CPA.

Note 3: Paid-in capital and investment amount are translated into TWD at exchange rate at the balance sheet date (1USD:27.68 TWD).

Note 4: According to the MOEA Regulation No. 09704604680, "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area", announced on August 29, 2008, limit on accumulated amount of investment in Mainland China is the higher of 60% of net assets and consolidated net assets.

Metatech (AP) Inc. and Subsidiaries
Major shareholders information
December 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of major shareholders	Name of shares held	Shares	Ownership (%)
Zhen Long, Wu		7,570,319	11.12%
JUN INVESTMENT INTERNATIONAL CO., LTD.		6,201,516	9.10%

VII. Review and analysis of the financial condition, performance and risk management

1. Review and analysis of financial conditions

Financial status comparison and analysis table

Unit: NT\$ thousand

Year Items	2021	2020	Variance	
			Amount	%
Current assets	2,830,328	748,041	2,082,287	278%
Real estate, plant and equipment	201,830	212,680	(10,850)	(5%)
Other assets	507,235	535,270	(28,035)	(5%)
Total asset	3,539,393	1,495,991	2,043,402	137%
Current liabilities	460,207	305,525	154,682	51%
Non-current liabilities	121,148	275,399	(154,251)	(56%)
Total liabilities	581,355	580,924	431	0%
Common stock	681,116	580,160	100,956	17%
Capital reserve	672,092	657,872	14,220	2%
Accumulated deficit	(24,663)	(289,712)	265,049	(91%)
Other equity	(41,191)	(33,253)	(7,938)	24%
Total shareholders' equity	2,958,038	915,067	2,042,971	223%

(2) Analysis of variations:

1. The increase in 2021 current assets was due to consolidating assets from the new subsidiary.
2. The increase in 2021 current liabilities was due to convertible corporate bond due in one year was treated as current liabilities.
3. The decrease in 2021 non-current liabilities was due to convertible corporate bond due in one year was treated as current liabilities.
4. The decrease in 2021 accumulated deficit was due to growth in revenue and gross profit.
5. The increase in 2021 other equity was due to exchange variations converted from the financial statements of the overseas operating organizations.

(3) Future plan: The Company is expected to focus on the improvement of operating margins and the development of new product lines and customers to maintain stable growth of operations.

2. Review and analysis of financial performance
Business result analysis comparison table

Unit: NT\$ thousand

Items \ Year	2021	2020	Variance	Variance ratio (%)
Net operating income	2,011,817	1,576,079	435,738	28%
Operating cost	1,746,775	1,405,385	341,390	24%
Operating margin	265,042	170,694	94,348	55%
Operating expenses	301,079	250,959	50,120	20%
Operating profit (loss)	(36,037)	(80,265)	44,228	(55%)
Non-operating income and expenses	(7,757)	(11,910)	4,153	(35%)
Net profit before tax	(43,794)	(92,175)	48,381	(52%)
Income tax benefit (expenses)	(9,587)	9,680	(19,267)	(199%)
Net profit (loss) of the period	(53,381)	(82,495)	29,114	(35%)
Other comprehensive profit & loss	(8,482)	(15,552)	7,070	(45%)
Total comprehensive profit and loss	(61,863)	(98,047)	36,184	(37%)

(1) Analysis of variance:

1. The increase in 2021 operating income was due to increasing demands from end-users for electronic components and memory.
2. The increase in 2021 gross profit margin was due to increasing operating income and the increase in the gross profit ratio.
3. The decrease in 2021 operating loss was due to increasing operating gross profit and consolidated expenses of the new subsidiary.
4. The decreases in 2021 non-operating income and expenses mainly were due to increasing exchange benefit resulting from US dollar depreciation; the increase in interest payment was due to the increasing loan; the increase in other income was due to the provision for liabilities were overdue for 3 years and were transferred to income.
5. The decrease in 2021 net loss before tax was mainly due to increasing operating gross profit.
6. The increase in 2021 income tax payment was mainly due to loss deduction.
7. Regarding to 2021 other comprehensive profit and loss was mainly due to the exchange loss from financial statement conversion from overseas operating organizations.

(2) The expected sales volume: In 2022, the electronics department will continue to strengthen the promotion of applications in high-end markets such as cloud technology, and biomedical business will continue to invest in the development of regenerative medicine.

(3) The possible impact to the future financial business of the Company: It is expected that the revenue will grow steadily in 2022. In response to the changes in the customer market, the Company will actively observe and grasp the market pulse and sign new agents to develop new business, in order to create a win-win situation for the Company and shareholders.

(4) Future plan: The Company is expected to focus on the improvement of operating margins and the development of new product lines and customers to maintain stable growth of operations.

Analysis of the change in operating gross profit: This was mainly due to the increase in demand of major customers for products with lower gross profit.

3. Review and analysis of cash flows

The analysis of cash flow variances in the most recent year

Unit: NT\$ thousand

Item	2021	2020	Variance
Net cash flow from operating activities	(211,784)	21,428	(233,212)
Net cash outflow from investing activities	(1,408,683)	31,125	(1,439,808)
Net cash inflow from financing activities	2,012,902	73,292	1,939,610

Analysis of variance in cash flow:

1. Operating activities: The increase in the net cash outflow in 2021 operating activities was mainly due to higher values in account receivable balance and stock in 2021 comparing to 2020.
2. Investing activities: The increase in the net cash outflow in 2021 investing activities was mainly due to the increase in the consolidated term deposit from the new subsidiary.
3. Financing activities: The increase in the net cash inflow in 2021 financing activities was mainly due to the increase in cash input of non-controlling equity for capital increase of the new subsidiary.

Cash flow analysis in the coming year

Unit: NT\$ thousand

Cash balance at beginning of period (1)	Estimated net cash flow from operating activities for the year (2)	Estimated annual net cash inflow (3)	Estimated cash remaining (insufficient) amount (1)+(2)+(3)	Remedy plans for negative balance of cash	
				Investment plan	Financing plan
748,307	29,937	3,193	781,437	-	-

Estimated cash flow analysis of variance in cash flow balance in 2022::

1. Operating activities: The net cash inflow from operating activities is expected to be NT\$ 29,937,000.
2. Investing activities: None
3. Financing activities: It is mainly the repayment of lease principal, financing and repayment of corporate bond.

(3) Improvement plan for insufficient liquidity: Not applicable.

4. Major capital expenditures in recent years and impacts on financial and operational situations

Major capital expenditures and sources of funding: None

Expected Benefit: None

5. The investment policy of recent years and the main reasons for profit or loss and its improvement plan and investment calculation for the coming year:

Unit: NT\$ thousand

Description Items	2021 profit (loss) amount (NT\$ thousand)	Policy	Main reasons for profit or loss	Improvement plan	Investment plan for the coming year
MetaTech Investment Holding Co., Ltd.	45,597	Overseas holding company	It is an overseas holding company, the profit mainly comes from investment profit.	Not applicable	None
Jianhua Travel Agency Co., Ltd	(666)	The administration of grouping international customers of medical treatment to travel in Taiwan.	The income was reduced due to pandemic.	Expand domestic special travel to increase income	None
MTI Holding Co., Ltd.	45,597	Overseas holding company	It is an overseas holding company, the profit mainly comes from investment profit.	Not applicable	None
MetaTech (S) Pte Ltd.	7,763	Integrate group resources and expand overseas sales market.	Expanded new sources of customers, adjusted product structure to increase gross profit are the reasons for the increase of revenue and profit.	Not applicable	None
MetaTech Limited.	37,518	Integrate group resources and expand overseas sales market.	Expanded new sources of customers, adjusted product structure to increase gross profit are the reasons for the increase of revenue and profit.	Not applicable	None
MetaTech (SZ)	14,814	Integrate group resources and expand overseas sales market.	Expanded new sources of customers, adjusted product structure to increase gross profit are the reasons for the increase of revenue and profit.	Not applicable	None
LOCUS CELL CO., LTD.	(34,518)	Cell layer development and expansion of CDMO business.	Start planning of cell factory construction, manpower layout, the costs will increase.	Not applicable	Start the construction of cell factory.

6. Review and analysis of risk management:
The structure of risk management team:

The management of the Company's various operational risks is handled by the relevant management unit upon the nature of its business and is described as follows:

1. Administrative Department: Responsible for the Company's personnel risk management, property risk management, and legal management risks, and comply with relevant regulations and policies of government agencies to ensure the Company's continuous operations and asset safety.
2. Finance Department: Implementation of operational decisions, responsible for financing plans and operations, assessing mid- to long-term investment benefits, establishing a hedging mechanism, and ensuring the effectiveness of internal control, achieving the reliability of financial reporting, operational effectiveness, efficiency, and the purpose of compliance with relevant laws and regulations to reduce financial and strategic risks.
3. Information Department: Responsible for network planning, deployment, maintenance of network information security control and protection measures, and continuous measurement of network quality to reduce network operations and information security risks.

The impacts of fluctuations in interest/exchange rates and inflation on the company's profits and losses and corresponding measures:

Unit: NT\$ thousand

Items	Impact on Company's profit and loss			Future response measures
	Subject	2021	2020	
Interest rate	Interest income	988	508	Regular assessment of bank loan rates and close liaison with banks to obtain more favorable interest rates on loans to reduces the impact of changes in interest rates on the Company's profit or loss.
	Interest expense	10,068	5,846	
Changes in exchange rate	Exchange profit (loss)	(40)	(3,686)	The purchases of the Company and its subsidiaries are mainly quoted in U.S. dollars, and most of the sales are also quoted in U.S. dollars, so exchange rate changes are partially offset. The Company and its subsidiaries will also monitor and adjust in due course and take measures to avoid risks if necessary.
Inflation	-		-	The Company and its subsidiaries always pay attention to the market price fluctuations and keep good relationships with suppliers and customers; there are no major impacts due to inflation in recent years and there is no inflation risk for the short term; there are no major impacts to the annual profit and loss of the Company.

A. Policies governing high-risk and hyper-leveraged investments, capital lending to others, endorsement/guarantee and derivative transactions; major causes of loss and profit and corresponding measures:

1. The Company does not engage in any high-risk, hyper-leveraged investment, capital lending to others as well as derivative transactions. However, the Company has established a "Regulations governing loaning of funds" for compliance.

2. The endorsement and guarantee are all executed in compliance with the Company's "Regulations governing endorsement guarantee"; the endorsements and guarantee amount as of the end of 2021 and March 31, 2022 were NT\$ 13,840,000 and NT\$ 14,313,000 respectively.
- B.R&D plans and estimated expenses in the future: To improve the Company's competitiveness, the Company has invested in the development of regenerative medicine. As of the first quarter of 2021, NT\$ 503,374 thousand has been used in this financing plan, and NT\$14,993 thousand is expected to be invested in the future to pay for royalties, the construction of laboratories, the purchase of instruments and equipment, and the cost of clinical trials, etc.
- C.Impacts and responses of the Company's financials in regard to material changes of domestic and foreign policies and regulations in recent years: Relevant domestic and foreign laws and regulations, and always pay attention to the trend of domestic and foreign policy development and regulatory changes, to immediately think about changes in political and economic situation at home and abroad, so important domestic and foreign policy and legal changes have not had a significant impact on the Company's financials.
- D.Impacts of the technology and industrial changes of recent years to the Company's financials and corresponding measures: The agent product of the Company and its subsidiaries are mainly used in high-tech products and 3C products (computer, communication, and consumer electronics), and the current high-tech industry and 3C products are booming, which should have a positive impact on the Company.
- E.Impact of Corporate image change on the Company's crisis management and corresponding measures of recent years: The Company and its subsidiaries have always adhered to the principle of professional and honest sustainable management and attached importance to corporate image and risk control. Therefore, there has been no corporate crisis management in recent years.
- F.Expected benefits and risks from mergers and acquisitions and corresponding measures: None
- G.Expected Benefits and Risks from Plant Expansion and corresponding measures: None
- H.Risks and countermeasures for concentration of purchase or sales:
Purchase:The Company is an agent and maintains close cooperation with various manufacturers for a long time. There is no shortage of raw materials.
Sales: The proportion of sales to the Company has not yet been highly concentrated. On the one hand, the Company maintains a long-term cooperation relationship with existing customers. On the one hand, it is committed to developing new customers and expanding and decentralizing business sources. Therefore, there will be no risk for the steady growth of the Company due to the risk of sales concentration.
- I.Impacts, risks and corresponding measures from changes in directors, supervisors and .shareholders with greater than 10% shareholding or their selling of a large number of shares: The Company's shareholding is concentrated, and there is no concern about the large-scale transfer or replacement of the shareholding.
- J.Impact and Risks and corresponding measures from Change of Ownership: None

7. Other important matters:

Evaluation reference, basis, and main reasons for the listing of assets and liabilities

1. Evaluation reference, basis and main reasons for the provision of bad debts:

The main reason for the Company's provision for bad debts is based on the assessment of the recoverability of accounts receivable. The Company is based on factors such as ageing analysis of accounts receivable, credit rating, and economic environment, etc., as a basis for regular evaluation of the possibility of recovery of receivables and the reference for evaluation. The Company's policy for the provision of allowances for bad debts is listed as follows:

Age of the account receivable	More than 120 days	More than 180 days	More than 360 days
Provision ratio	5%	30%	100%

2. Policy for the provision of allowances for depreciation losses of inventories:

The book value of the Company's purchase is based on the acquisition cost with the perpetual inventory system and uses the weighted average method for calculation of costs. Starting from January 1, 2009, adopting the IAS 2 Inventories of IFRS, the valuation of end-of-period inventory value is taking the lower value between the cost and net realizable value with the item-by-item comparison method; the net realizable value of raw materials is the replacement cost, and an allowance for depreciation losses is made for sluggish goods. Net realizable value is the estimated selling price under normal circumstances less costs to be completed and marketing expenses. The company's policy for the provision of sluggish goods depreciation is as follows:

Electronic Business Group:

Inventory age	91 days to 180 days	181 days to 360 days	More than 361 days
Provision ratio	30%	50%	100%

Biomedical Business Group:

Inventory age	1 year to 2 years	2 years to 3 years	More than 3 years
Provision ratio	30%	50%	100%

VIII. Special disclosure

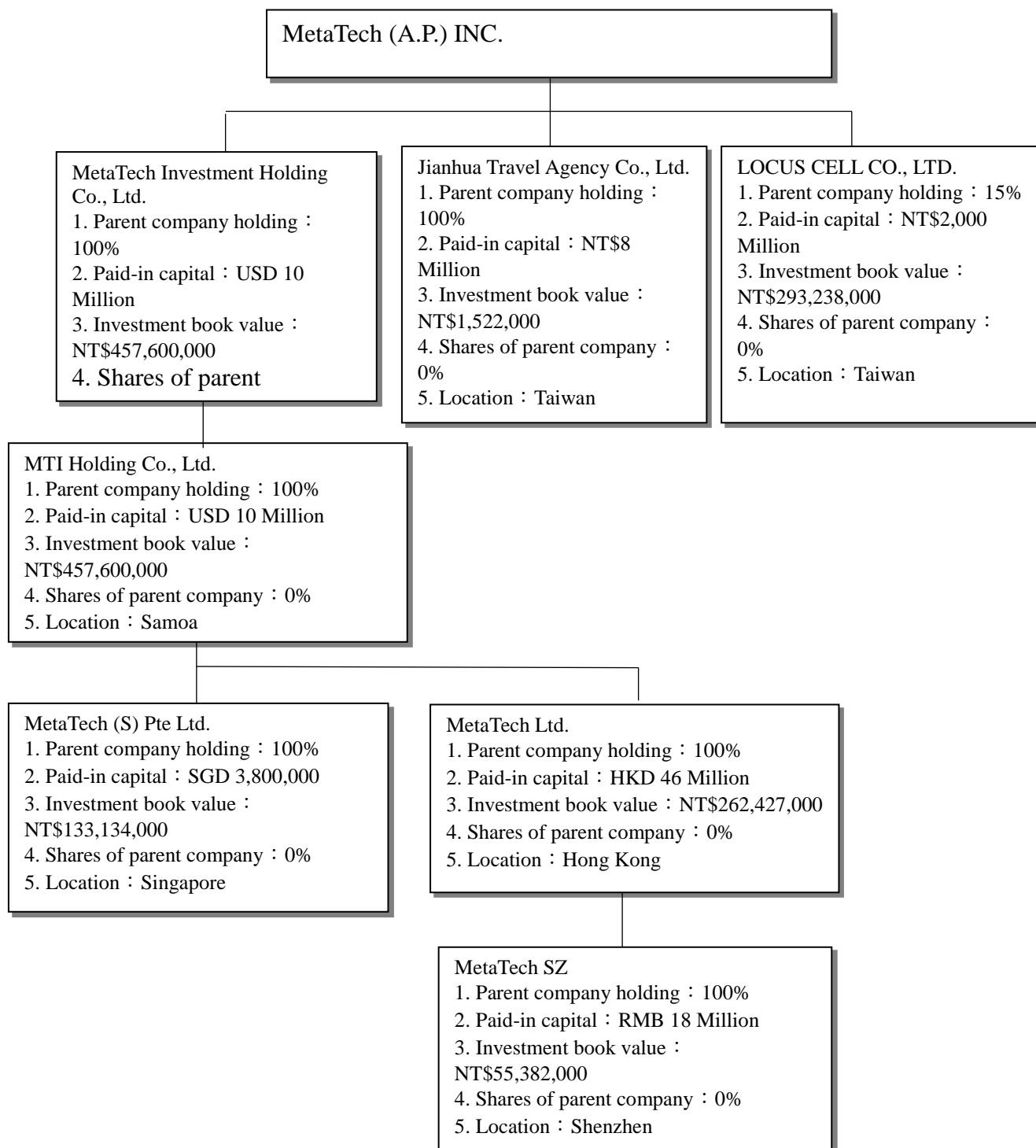
1. Affiliated companies

Affiliate corporates overview

Affiliate corporate structure overview

Organization chart of affiliates corporates

March 31, 2022



Presumed to be a controlling and affiliated company relationship in accordance with Article 369-3 of the Company Act: None.

Subsidiary companies directly or indirectly controlled by the Company in personnel, finance or business operations pursuant to paragraph 2 of Article 369-2 of the Company Act: None.

Profiles of affiliate companies

Unit: \$

Company	Date of Incorporation	Address	Paid-in Capital	Major business or productions
MetaTech Investment Holding Co., Ltd	2001.11	P.O.Box957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD10,000,000	Engaged in controlling and transferring investment
MTI Holding Co., Ltd	2001.11	P.O.Box217, Offshore Chambers, Apia, Samoa	USD10,000,000	Engaged in controlling and transferring investment
MetaTech(S) Pte Ltd	1998.09	60, Kaki Bukit Place, #08-09 Eunos Techpark, Singapore 415979	SGD3,800,000	Wholesale and retail of electronic materials
MetaTech Ltd	1998.08	Workshop Unit 4, 12 Floor, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kowloon, HK.	HKD46,000,000	Wholesale and retail of electronic materials
MetaTech (SZ)	2005.10	Room 305, G3 Building, TCL International E City, No. 1001 Zhongshan Park Road, Nanshan District, Shenzhen	RMB18,000,000	Wholesale and retail of electronic materials
Jianhua Travel Agency Co., Ltd	1976.01	14-2F, No. 75, Sec. 1, Xintai 5th Road, Xizhi Dist., New Taipei City	NTD8,000,000	Tourism
LOCUS CELL CO., LTD.	2020.10	14-2F, No. 75, Sec. 1, Xintai 5th Road, Xizhi Dist., New Taipei City	NTD2,000,000,000	Cell commissioned research and development and production services

Presumed to have the same shareholder control and affiliation information: None

Business types of overall affiliates cover: The business types of the Company and its affiliate include sales of electronic components, biomedical technology services and tourism, of which MetaTech Investment Holding Co., Ltd. and MTI Holding Co., Ltd. are holding companies.

Information of directors, supervisors and general managers of all affiliates

Unit: Share ; %

Company	Title	Representative	Shareholding	
			Shares	%
Jianhua Travel Agency Co., Ltd	Chairman	Teng, An-chih	800	100
MetaTech Investment Holding Co.,Ltd.	Chairman and president	Teng, An-chih	10,000,000 -	100 0
MTI Holding Co.,Ltd.	Chairman and president	Teng, An-chih	10,000,000 -	100 0
MetaTech(S) Pte Ltd.	Chairman	Tang, Hung-te (Note 1)	3,800,000 -	100 0
MetaTech Ltd.	Chairman	Tang, Hung-te (Note 2)	46,000,000 -	100 0
MetaTech (SZ)	Chairman and president	Tang, Hung-te	- -	100 0
LOCUS CELL CO., LTD. (Note 3)	Chairman	Ho, Hung-neng	30,000,000	15

Note 1: MetaTech(S) Pte Ltd. reassigned its representative on August 13, 2021 from Hu, Li San to Tang, Hung-te.

Note 2: MetaTech Ltd. reassigned its representative at on August 13, 2021 from Hu, Li San to Tang, Hung-te.

Operation overview of affiliates

Financial status and operating results of affiliates:

December 31st, 2021 Unit: NT\$ thousand

Company	Paid-in Capital (\$)	Total Asset	Total Liabilities	Total Equity	Operating Revenue	Operating profit (Loss)	Current profit (loss) (After tax)	Earnings (loss) per share (\$) (After tax)
MetaTech Investment Holding Co.,Ltd.	USD10,000,000	424,689	0	424,689	0	0	45,597	4.56
MTI Holding Co.,Ltd	USD10,000,000	424,689	0	424,689	0	(111)	45,597	4.56
MetaTech(S) Pte Ltd.	SGD3,800,000	211,775	86,604	125,171	549,425	8,581	7.763	2.04
MetaTech Ltd.	HKD46,000,000	377,360	137,699	239,661	691,070	23,896	37,518	0.82
MetaTech (SZ)	RMB18,000,000	61,725	14,051	47,674	66,876	14,893	14,814	-

Jianhua Travel Agency Co., Ltd	NTD8,000,000	1,846	163	1,683	59	(1,039)	(666)	(0.83)
LOCUS CELL CO., LTD.	NTD2,000,000,000	2,035,582	70,163	1,965,419	0	(33,522)	(34,518)	(0.17)

Note 1: If the affiliated company is a foreign company, the relevant figures should be converted into TWD based on the exchange rate at the reporting date.

The companies that should be included in the preparation of the financial statements of the Company's consolidated financial statements is the same as the companies that has entered into the consolidated financial statements of the parent and subsidiary companies. Therefore, the consolidated financial statements of the affiliates will not be prepared separately.

The Company is not a subsidiary company of other company and therefore it is not necessary to prepare an affiliation report

2. As of the most recent year and as of the publication date of the annual report, the case of private equity securities should disclose the basis and rationality of the date and amount and price adopted by the shareholders' meeting or the Board of Directors, the choice of specific persons and the necessary reasons for the private placement, and the self-owned funds or price and after completion of the disbursement, the fund utilization plan was completed, and the funds used in the private equity securities were used and the progress of the plan was implemented: None
3. The latest year and the date of publication of the annual report, subsidiaries hold or dispose of the Company's shares processing: None
4. Other necessary supplementary information: None
5. The latest year and the date of publication of the annual report, if there is a matter that has a material effect on the shareholders' equity or the price of securities as defined in Article 36-3-2 of the Securities Exchange Act: None.



MetaTech

三顧股份有限公司

Stock Code **3224**
