

20

Meeting Handbook

22



MetaTech

三顧股份有限公司

Stock Code **3224**

Handbook for the 2022 Annual Meeting of Shareholders

Meeting Time

9:00 AM, June 29th, 2022 (Wednesday)

Location

No. 152, Sec. 1, DaTong Rd., Xizhi Dist.,
New Taipei City 221, Taiwan (R.O.C.)
(Yiyuan Hall at 1F., Fushin Hotel Building II)

Table of Contents

	<u>Page</u>
A. Meeting procedure-----	1
B. Agenda -----	2
C. Announcements -----	3
D. Matters to be ratified -----	5
E. Matters to be discussed-----	7
F. Other proposals and extraordinary motions-----	10
G. Appendix -----	11
1. Year 2021 business report-----	12
2. Year 2021 audit report by the audit committee-----	19
3. Year 2021 financial and auditors' report-----	20
4. Implementation of seasoned equity offering in 2017-----	50
5. Report of sound operational plan implementation of the company-----	55
6. Progress of plant construction for the reinvestment of Locus Cell Co., Ltd. through capital increase by cash in 2020 and the report of the effectiveness achieved -----	58
7. Comparison table of amended provisions of “Code of Practice for Corporate Social Responsibility” -----	60
8. Comparison table of amended provisions of “Procedures for Acquisition or Disposal of Assets” -----	66
9. Rules of procedure for shareholders meetings -----	71
10. Shareholding status by directors -----	74
11. Other explanation and information -----	75

A. Meeting procedure

MetaTech (AP) Inc. Rules of Procedure for Shareholders Meetings in 2022

1. Announcing the commencement of meeting
2. Welcome speech from the chairman
3. Matters to be reported
4. Matters to be ratified
5. Matter to be discussed
6. Other proposals and extraordinary motions
7. Motion to adjourn

B. Agenda

Time: 9:00 AM, June 29th, 2022 (Wednesday)

Location: No. 152, Sec. 1, Datoong Road, Xizhi District, New Taipei City
(Yiyuan Hall at 1F., Fushin Hotel Building II)

1. Matters to be reported:

- (1) Year 2020 business report
- (2) Year 2021 audited financial statements by the audit committee
- (3) Implementation of seasoned equity offering in 2017
- (4) Report of sound operational plan implementation of the company
- (5) Progress of plant construction for the reinvestment of Locus Cell Co., Ltd. through capital increase by cash in 2020 and the report of the effectiveness achieved
- (6) Report of amended provisions of “Code of Practice for Corporate Social Responsibility”

2. Matters to be ratified:

- (1) Adoption of the 2021 business report, parent company only financial reports, and consolidated financial statements
- (2) Adoption of the proposal 2021 “Covering of Losses”

3. Matters to be discussed:

- (1) To revise part of provisions of “Procedures for Acquisition or Disposal of Assets” of the Group.
- (2) To lift the restrictions of competition prohibition on the directors in our company.

4. Other proposals and extraordinary motions:

C. Announcements

【Proposal 1】

Cause of action: Year 2021 business report submitted for approval.

Explanation: 1. Please refer to page 12 to page 18 of the appendix 1 in the handbook for Year 2021 Business Report.
2. It is submitted for review and approval.

【Proposal 2】

Cause of action: Year 2021 audited financial statements by the audit committee submitted for approval.

Explanation: 1. Our company's 2021 parent company only financial reports and consolidated financial statements have been audited by CPAs, and the audit committee has issued the audit report. Please refer to page 19 of the appendix 2 and page 20 to page 49 of appendix 3 in the handbook.
2. It is submitted for review and approval.

【Proposal 3】

Cause of action: Implementation of seasoned equity offering in 2017 submitted for approval.

Explanation: 1. Our company's seasoned equity offering in 2017 has been declared by Chin Guan Cheng Zi Letter No. 1060036940 issued by Financial Supervisory Commission on October 13th, 2017 and is effective and filed. With each share of NT\$36, new stocks of 14,000,000 shares were issued through capital increase by cash. A fund of NT\$504,000,000 was raised. The capital stock was collected in full on January 16th, 2018 and the trading in over-the-counter markets started on January 19th, 2018. In addition, the change of registration was approved and filed by Ching Shou Shan Zi Letter No. 10701010990 on January 29th, 2018. The paid-in capital after change was NT\$580,160,450.
2. By the request from the competent authority through relevant letters, the implementation of capital increase by cash in 2017 has been reported to the shareholders meeting. Please refer to page 50 to page 54 of appendix 4 in the handbook for the implementation of capital increase by cash in 2017 up to the end of quarter 1 in 2022.
3. It is submitted for review and approval.

【Proposal 4】

Cause of action: Report of sound operational plan implementation of the company submitted for approval.

Explanation: 1. According to the request from Financial Supervisory Commission on the Point 7 of Chin Guan Cheng Fa Zi Letter No. 1100335941 on April 14th, 2021, the implementation of sound operational plan in 2021 has been submitted to the board of director by quarter for further supervision as well as been reported to the shareholders meeting. Please refer to page 55 to page 57 of appendix 5 in the handbook.

2. It is submitted for review and approval.

【Proposal 5】

Cause of action: Progress of plant construction for the reinvestment of Locus Cell Co., Ltd. through capital increase by cash in 2020 and the report of the effectiveness achieved.

Explanation: 1. According to the request from Financial Supervisory Commission on the Point 9.2 of Chin Guan Cheng Fa Zi Letter No. 1100335941 on April 14th, 2021, for the proposal of issuing 10,000,000 ordinary shares through the capital increase declared in 2020 with the denomination of each share in NT\$10 with a total number of NT\$100,000,000, it has been followed up each quarter at the meeting of Board of Directors as well reported to the Shareholders' Meeting each year for the progress of plant construction on the Locus Cell Co., Ltd. invested and the effectiveness achieved. If there is any matter related to the delay of the schedule or the effectiveness failing to meet expectation, it shall be stated the reasons and the improvement measures altogether until the completion of the project. The above matters shall be disclosed on the annual report of Shareholders' Meeting at the same time for investors' reference. Please refer to page 58 to page 59 of appendix 6 in the handbook.

2. It is submitted for review and approval.

【Proposal 6】

Cause of action: Report of amended provisions of “Code of Practice for Corporate Social Responsibility” of the Group.

Explanation: 1. Financial Supervisory Commission and Taiwan Stock Exchange issued official letter for the revision of part of provisions on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” respectively in letter No. Chin Guan Cheng Fa Zi 1100375814 and letter No. Tai Cheng Chih Li Zi 11000241731 on December 7th, 2021.

2. To cooperate with the trend of international development, fulfill the goals of sustainable development, and strengthen the implementation of the sustainable development promoted by the Company, the “Code of Practice for Corporate Social Responsibility” was changed to “Code of Practice for Sustainable Development” as well as revised some of the provisions. Please refer to page 60 to page 65 of the appendix 7 in the handbook.

3. It is submitted for review and approval.

D. Matters to be ratified

【Proposal 1】

Proposed by the board of directors

Cause of action: Submission of the 2021 business report, parent company only financial reports, and consolidated financial statements for adoption.

Explanation:1. Our company’s 2021 business report, parent company only financial reports, and consolidated financial statements have been audited by CPAs, Ming-Chuan Hsu and Ping-Chun Chih, at PricewaterhouseCoopers Taiwan.

- 2. 2021 business report, parent company only financial reports, and consolidated financial statements have been approved by the resolution of the board of directors, audited by the audit committee, and issued an audit report. Please approve it according to the regulations.
- 3. Various reports for the case can be referred to page 12 to page 18 of appendix 1 and page 20 to page 49 of appendix 3 in the handbook.
- 4. Request for approval.

Resolution:

【Proposal 2】

Proposed by the board of directors

Cause of action: Adoption of the proposal 2021 “Covering of Losses” submitted for approval.

Explanation:1. Our company’s net loss after tax in 2021 was NT (the same below) \$24,118,868 with the accumulated deficit of \$24,662,717. The table of covering of losses is as below:

MetaTech (AP) Inc.
Table of covering losses in 2020

Unit: NT\$/dollar

Item	Amount	Remark
Accumulated deficit at the beginning of the period		
Addition: Net loss after tax in 2021	(24, 118, 868)	
Other comprehensive profit or loss in the current period	(543, 849)	
Accumulated deficit to be covered by the end of the period	(24, 662, 717)	

President:

General Manager:

Accounting Supervisor:

2. Request for approval.

Resolution:

E. Matters to be discussed

【Proposal 1】

Proposed by the Board of Directors

Cause of action: The submission of the proposal of revising some provisions of “Procedures for Acquisition or Disposal of Assets” of the Group for approval.

- Explanation: 1. Securities and Futures Bureau, Financial Supervisory Commission issued an official letter in Cheng Chi (Fa) Zi 11103804655 on January 28th, 2022, for the revision of part of provisions in “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
2. Our Company revised part of provisions in the Group’s “Procedures for Acquisition or Disposal of Assets” according to the regulations of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. Please refer to page 66 to page 70 of appendix 3 in the handbook for the comparison table of the revised articles.
3. Request for approval.

Resolution:

【Proposal 2】

Proposed by the board of directors

Cause of action: Cancelling the restrictions of competition prohibition on the new directors in our company; please approve.

- Explanation: 1. It shall be handled according to Article 209 of Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. In the consideration of the directors in our company invest in or run other business the same as or similar to the business scope of our company, it is proposed to the agreement of the shareholders meeting to lift the restrictions of competition prohibition on individual director until the expiration of the term of service for the 9th board of directors.
3. The details of lifting the competition prohibition on the directors in our company as shown in the table below:

Elected post	Name	Concurrent position in other company
Director	National Development Fund, Executive Yuan	Legal entity director, Locus Cell Co., Ltd.
Director	Jun Investment International Co., Ltd.	Supervisor, Ma Shen Kai Rwei Co., Ltd. Legal entity director and supervisor, Edora Park Co., Ltd. Legal entity director and supervisor, Junbao Construction Co., Ltd. Legal entity director, Locus Cell Co., Ltd. Legal entity director, Yongxin Multimedia Co., Ltd. Legal entity director, BELX BIO-Pharmaceutical Co., Ltd.
Legal representative of director	MetaTech Investment Holding Co., Ltd. Representative: Hui-Chun Wang	Chair Professor, Program for Translational Medicine, Taipei Medical University Director, Taipei Medical University
Legal representative of director	MetaTech Investment Holding Co., Ltd. Representative: Hung-Ren Yang	C.E.O., Min-Sheng Healthcare Chairman, United Medical Foundation Taiwan Chairman, Sharehope Medicine Co., Ltd. Director, Crystalvue Medical Corporation Director, Benq Hospital Holding Co., Ltd. Director, Locus Cell Co., Ltd. Chairman, Medzoneasia Co., Ltd. Chairman, Honghan Healthcare Co., Ltd. Chairman, Fuyi Health Management Consultancy Co., Ltd. Chairman, Digimed Co., Ltd. Vice Chairman, Pregetic Medical Health Co., Ltd. Director, Welcome to Macro Co., Ltd. Chairman, Missioncare Co. Director, Minsheng Asset Management Co., Ltd. Director, YES Health Co., Ltd. Director, TECHGROUP Integrate Design Co., Ltd. Director, Global Bio & Investment Co., Ltd. Director, Hematech Biotherapeutics Inc. Supervisor, CDIB Capital Healthcare Investment Partnership Co., Ltd. Supervisor, Yuede Enterprise Co., Ltd.
Legal representative of director	Da Jyun Capital Investment Corporation Representative: Chih-Hui Yang	C.E.O. and Director, Locus Cell Co., Ltd. Director, KT Wang Bio-Organic Chemistry Foundation Director, Taiwan Science & Technology Development Foundation Consultant, Up Cell Biomedical Inc. Director, Taiwan Testing and Quality Assurance

		Society Consultant, E-Da Cancer Hospital Consultant, Innovative and Proactive Center, Taipei Medical University Hospital
Independent director	Shih-Chieh Yang	Independent Director, K Way Information Corporation
Independent director	Wen-Chu Wang	Supervisor, SUNHON BioTechnology Co., Ltd.

4. Request for approval.

Resolution:

F. Other proposals and extraordinary motions

G. Appendix

1. Year 2021 business report
2. Year 2021 audit report by the audit committee
3. Year 2021 financial and auditors' report
4. Implementation of seasoned equity offering in 2017
5. Report of sound operational plan implementation of the company
6. Progress of plant construction for the reinvestment of Locus Cell Co., Ltd. through capital increase by cash in 2020 and the report of the effectiveness achieved
7. Comparison table of amended provisions of “Code of Practice for Corporate Social Responsibility”
8. Comparison table of amended provisions of “Procedures for Acquisition or Disposal of Assets”
9. Rules of procedure for shareholders meetings
10. Shareholding status by directors
11. Other explanation and information

Appendix 1: Year 2021 Business Report

Year 2021 Operational Status Report

I. Business performance in 2021

(1) Implementation result of business plans in 2021

The consolidated revenue in 2021 was NT\$ (the currency is same below) 2,011,817 thousand, and it increased \$435,738 thousand compared to \$1,576,079 thousand in 2020 with an increase rate of 27.65%. The net loss after tax in 2021 was \$53,381 thousand, and it decreased \$29,114 thousand compared to the net loss after tax of \$82,495 thousand in 2020. The deficit per share after tax was \$0.40.

(2) Financial income and expenditure as well as profitability analysis

1. The consolidated revenue in 2021 was NT\$2,011,817 thousand, and it was increased compared to the same period of time last year mainly because of the increased demand from the end customers on IC components and the new business on negative pressure isolation cabins caused by the impact of the epidemic. The operating expense in 2021 was increased compared to the same period in the previous year mainly because of the promotion of biomedical products and the subsidiary expense invested through the new consolidated equity method during this period of time. In conclusion, the revenue in 2021 was increased and the gross margin was enhanced so that the deficit of the period was reduced.

2. Relevant financial ratios are as below:

Item	2021	2020
Current ratio (%)	615.01	244.84
Quick ratio (%)	576.08	215.26
Debt ratio (%)	16.43	38.83
Ratio of long-term capital to property, plant and equipment (%)	1525.63	559.75
Equity return ratio (%)	(2.76)	(8.60)
Ratio of operating loss to capital stock (%)	(5.29)	(13.83)
Ratio of loss before tax to capital stock (%)	(6.43)	(15.89)
Net loss ratio (%)	(2.65)	(5.23)
Loss per share (dollar) after retrospection	(0.40)	(1.42)

The analysis of financial ratios and the formula for calculation can be referred to the disclosure on the session of “financial analysis” in 2021 Annual Report.

(3) Overview of the company's technologies and its research and development

1. Department of Electronics

- a) Reinforcing the replacement of old models with new models on product mix, continuing working with the international key manufacturers and for product agency, and marketing electronic components of fiber-optical generation and products of lead-edge technologies to satisfy demands from customers.
- b) Providing customers complete design combination to save their R&D expense as well as enhance our service standard, strengthen the relationship between our company and customers, and sustain the business growth of the company.

2. Department of Biomedicine

a) Introduction of the source of technology:

The source of technology for the biomedical department in MetaTech (AP) Inc. includes technology transfer items and self-developed items. The main transfer items are the temperature-sensing petri dish cell sheet culturing technology from CellSeed Inc. in Japan. The items of transfer application are “esophagus regeneration medical technology” and “knee cartilage cell sheet technology”.

The self-developed items include fibroblast and stem cell treatments as well as immunocyte storage and application.

b) Esophagus regeneration medical technology:

The technology is the application of epithelial cell sheet products on esophageal mucosa on patients with esophageal cancer to repair the operation wound after endoscopic submucosal dissection (ESD). It is expected to reduce the probability of esophageal stenosis after operation. MetaTech (AP) Inc. obtained the approval from Ministry of Health and Welfare in 2020 for the domestic clinical trial of the phase III. In addition, in order to speed up schedule of clinical trial, MetaTech called together the doctors at Division of Endoscopy, Division of Gastroenterology, and Division of Digestive System in the domestic main hospitals on January 24th, 2021, to establish Taiwan Esophageal Research Alliance to enhance the domestic research on esophageal cancer.

c) Knee cartilage cell sheet technology:

The application of the technology is based on “Administrative Regulations for the Implementation or Utilization of Special Medical Instruments and Inspection Techniques” (special regulations). By the end of February 2022, there were nine domestic hospitals approved to execute the cell treatment technology of knee cartilage cell treating chondral injury. Each hospital entrusted MetaTech (AP) Inc. for the preparation and manufacturing of knee cartilage cell products, including cell separation, culture, product collection, and quality inspection.

By the end of February 2022, fifty cases of knee cartilage cell sheet transplantation have been completed all over Taiwan. Most of the patients in the above cases were treated with painkillers or antibiotic drugs, PRP, hyaluronic acid, or arthroscopic surgery but failed to achieve effects. After the cell transplantation, the longest postoperative follow-up time has achieved 20 months. All the patients who received the operation all recovered well without serious adverse reaction, and all the symptoms appeared have been effectively improved.

To continue developing the application of “knee cartilage cell sheet technology”, MetaTech (AP) Inc. works with E-Da Hospital and National Health Research Institutes for a tripartite cooperation to promote the examination and registration for Administrative Regulation on Special Medical Instruments and Inspection Techniques on cell therapy technology linking with cell therapy preparations. The clinical data obtained from the Administrative Regulation on Special Medical Instruments and Inspection Techniques on cell therapy in the manufacturing processing, control, non-clinical, and clinical dimensions, which is so-called “real world data”, is analyzed by well-designed statistics to form “real world evidence” to be used to explain the utilization, benefit, and risks of pharmaceuticals. The mechanism of using real world evidence speeds up the launch of knee cartilage cell sheet products. On November 18th, 2021, our Company formally signed the contract for collaboration with Institute of Population Health Sciences, National Health Research Institutes under the witness of Vice Minister, Chung-Liang Shih, Ministry of Health and Welfare.

d) Self-developed items:

In terms of autologous fibroblasts, we have obtained two Taiwan invention patents of “a manufacturing method of microcell sheet” (invention No. I693283) as well as “cell spheres of 3D structure with high proliferative activity, its manufacturing method, and purpose” (application No. I724528) in succession. The technology also received cell therapy program application submitted by medical institutions according to “regulations of special medical techniques” for the utilization on the refilling and repairing of skin defects, including wrinkles, cavity, and scar. The technology started to accept manufacturing and production commissioning in 2021. Besides, the Administrative Regulation on Special Medical Instruments and Inspection Techniques opened the application of cell therapy by clinics in 2021. MetaTech (AP) Inc. works with clinics for the application of “clinic cell therapy quality certification” to assist the partner clinics obtaining the qualification for the cell therapy approved by the Administrative Regulation on Special Medical Instruments and Inspection Techniques step by step to expand the scope of

business. MetaTech (AP) Inc. also devotes to the storage and application of stem cell and immunocyte in order to expand the scope of cell services, further our technology capabilities, prepare production technology, as well as increase the capability and manufacturing experience in products and OEM service of cell preparations.

e) Cell preparation center:

The cell preparation center in our company started the operation in January, 2019 and has continued passing the verification of “Good Tissue Practice” (GTP). It is approved by Ministry of Health and Welfare as the cell processing unit (CPU) of cell treatment technology and the cell product manufacturing unit for clinical trial. It has started the implementation of clinical trial and to receive production commissioning for cell treatment products. Our Company also passed the auditing of PIC/S Guide to Good Distribution Practice for Medicinal Products (GDP) and meets the requirements of medicinal product purchase and warehousing.

The biological testing laboratory at our quality control department is a testing lab (lab certification No. 3691) recognized by Taiwan Accreditation Foundation (TAF) according to ISO/IEC 17025 to provide quality control and inspection that meet standards. The quality control lab also passed the verification of lab biosafety and is a recognized biosafety level II (BLS-2) lab. Its operation on infective pathogen, like microorganism, meets the management regulations of lab safety.

In addition, to link to the examination and inspection of cell preparation and production demands, the cell preparation center has invested in the quality enhancement in the plant area to increase the quality standards of production in order to meet PIC/S Guide to Good Manufacturing Practice for Medicinal Products (GMP). In the future, it can be ready for the production and provision of cell treatment drugs.

f) In order to promote regenerative medicine in Taiwan to the world, MetaTech (AP) Inc. established a joint venture, Locus Cell Co., Ltd., with Taiwan Hitachi Asia Pacific Co., Ltd. that represents Hitachi Group in Japan. In the future, we will work for the development of “Contract Development and Manufacturing Organization). Moreover, the Company continues developing the production methods for cell products, planning the construction of cell preservation bank, and carries on the technology transfer of excellent regenerative medical or tissue engineering technology to aim for the provision of complete cell products as our future goal.

II. General information of operating plans in 2022

(1) Business policy

1. Department of Electronics:

- a) Electronic component distributors focused on high added-value and niche products.
- b) Rooted in Taiwan and develop the marketing networks in Mainland China, Southeast Asia, and India; combining the resources in Mainland China and Association of Southeast Asian Nations to create multiplied profits and value.
- c) Continuous adjustment to expand the niche and provide customers even more complete solutions.
- d) Seeking customers in blue ocean markets for the existing product lines and enhancing customer satisfaction at the same time in order to become working partners with long-term relationship. Actively introducing components related to internet of things to the existing sales channels to pursue sustainable growth in business.
- e) Actively recruiting and cultivating talents and enhancing technical support and product application capability.
- f) Providing differential service and technical integration to satisfy customers' demands in order to achieve profit maximization.
- g) Increasing the customer groups of green energy market application to enhance the comprehensiveness of the application market.

2. Department of Biomedicine:

- a) Enhancing the service of knee articular cartilage defects by autologous knee cartilage cell sheet transplantation based on "Administrative Regulation on Special Medical Instruments and Inspection Techniques" in order to increase product business performance of the Department of Biomedicine.
- b) Promoting the cell therapy programs on refilling and repairing skin defects, including wrinkles, cavity, and scar by autologous fibroblast transplantation base on "Administrative Regulation on Special Medical Instruments and Inspection Techniques". Other than the collection in hospitals, we also work with clinics to apply for Administrative Regulation on Special Medical Instruments and Inspection Techniques and collect the cases after approval in order to increase the business performance of the Department of Biomedicine.
- c) Following up the progress of cell sheet of esophagus clinical trial cases regularly to ensure the launching schedule of products.
- d) Developing the service of cell storage business, including immunocyte and fibroblast, to expand the revenue of the Department of Biomedicine.

(2) Important production and marketing policies

1. Department of Electronics:

Strengthening the promotion of product application in the high-end markets of cloud market (server, storage equipment, high-end commercial switch), wireless communications (router, 5G hub), industrial control (industrial switch, railway communication equipment), medical equipment, vehicle electronics (electronic equipment for electric cars), market of tool, machine, and equipment, and market of semiconductor test equipment.

Due to the impact of coronavirus, suppliers are facing insufficient raw materials in the second half of the year. The delivery of the goods is expected to be 4-8 weeks longer. The overall goods-pulling speed and response from downstream customers will slow down due to the longer delivery date and the shortage of labor returning to work.

Under the pandemic of coronavirus, the original manufacturer increases costs and selling prices on certain customers to enhance product profits under the epidemic situation. In addition, we request the downstream customers to place order in advance to avoid the shortage of raw material and further prevent the reduction of company revenue caused by material shortage.

Two new production lines are added. One is for Amphenol LLC, which is the second largest international manufacturer of connector in the world. The main product is the connector in the industrial grade, and the main markets are the green energy market, electric vehicle application market, and electrical equipment for infrastructure. The other is for AME Inc. (Analog MicroElectronics), and the main product is the semiconductor for power supply. Its main markets are mobile device application products and products with high demand of electricity saving.

2. Department of Biomedicine:

The policies that the Department of Biomedicine focuses are optimizing products, increasing customer channels, and enhancing product reliability. We aim for working with hospitals and clinics to establish a cosmetic medicine alliance and expand cosmetic medicine channels. We construct the second cell production center for the commissioning from the patients with special demands in order to increase customer groups. We cooperate with hospitals for the performance presentation and news exposure as well as assist hospitals for the promotion of increasing the case-receiving numbers. Sheet therapy performance presentation is held regularly to demonstrate the clinical effect of the therapy and enhance product value. In addition, the Department of Biomedicine also provides the service of immunocyte storage service and planning the application of immunotherapy based on “Administrative Regulation on Special Medical

Instruments and Inspection Techniques” to expand company’s revenue and enhance business performance.

In facing the changes and challenges in the domestic and overseas environment, we hope all of our shareholders to share opinions with us at any time and continue trusting and supporting our company. We firmly believe the business in the company will be able to grow steadily under the multiple operations and efforts in the future to create better revenue for the company and share the business performance with our shareholders, customers, and employees.

At last, we would like to thank all the shareholders to support, trust and encourage the company.

Wish everyone a good health and all the best,

President: Chih-Hui Yang

Manager: Hung-De Tang

Accounting Supervisor: Chih-Tsung Chan

Appendix 2: Year 2021 Audit Report by Audit Committee

MetaTech (AP) Inc. Audit Committee Audit Report

The parent company only financial reports and consolidated financial statements for the company in 2021 submitted to the board of directors have been audited and certified by CPAs, Ming-Chuan Hsu and Ping-Chun Chih, at PricewaterhouseCoopers Taiwan. The documents along with business report and proposal of appropriation of profit or loss were reviewed and verified by the audit committee and confirmed no discrepancy. A report was prepared according to the provisions of Article 14-4, Securities and Exchange Act and Article 219,, Company Act for review and approval.

To

Ordinary Shareholders Meeting of the company in 2022

MetaTech (AP) Inc.

Convenor of Audit Committee: Wen-zhu Wang

March 25th, 2022

Appendix 3: Year 2021 Financial and Auditors' report

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						
3110	Share capital - common stock	6(13)	681,116	41	580,160	41
Capital surplus						
3200	Capital surplus	6(14)	672,092	40	657,872	47
Retained earnings						
3350	Accumulated deficit	6(15)	(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						
Significant subsequent event						
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. 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	9	<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.

Appendix 4: Implementation of Seasoned Equity Offering in 2017

MetaTech (AP) Inc.

Implementation of Seasoned Equity Offering in 2017

Unit: NT\$ Thousand

Item planned	State of implementation		Up to quarter 1 in 2021	Cause of ahead of or behind schedule and improvement plans
CellSeed royalty	Expenditure	Estimated	357,600	The item of the plan is the royalty payable to CellSeed Inc. in Japan for the contract of cell sheet regenerative medical collaboration signed. The project includes two products, esophagus repairing and knee cartilage. Our Company has submitted to Center for Drug Evaluation (CDE) for consultation review according to the original schedule. However, more documents related to clinical trial are required due to the law difference between Taiwan and Japan. The required information will have to be provided by CellSeed, and it takes time to prepare data required by the competent authority. Besides, this kind of documents involves with high professional skills as well as consumes a lot of time in translation. On top of that, the translated documents must be approved by CellSeed before it can be finalized. As a result, the completion of the project is slightly delayed than the expected schedule. It is expected that the final installment of royalty shall be paid when the product is formally launched. Therefore, there is no event of significant exception.
		Actual	345,273	
	Implementation progress (%)	Estimated	100%	
		Actual	96.55%	
Establishment of lab	Expenditure	Estimated	35,000	Our Company plans to use NT\$35,000 thousand of the fund-raising project on the payment of the lab establishment. Up to the first quarter of 2022, the actual capital expenditure of the Company was NT\$44,880 thousand with the actual accumulated capital implementation schedule of 128.22%. Currently, the lab has been completed the establishment and pass the inspection. The progress of actual payment was over
		Actual	44,880	
	Implementation progress (%)	Estimated	100.00%	

Item planned	State of implementation		Up to quarter 1 in 2021	Cause of ahead of or behind schedule and improvement plans
		Actual	128.22%	the original schedule was because the Company originally planned to build a cell sheet manufacturing center lab at the current location (Far East World Center) of the company but found it might not be sufficient for the purpose due to the limitation of building structure and area when evaluating the operational growth in the future. Therefore, the Company's Board of the Directors approved to rent Farglory U-TOWN factory and office building and move the construction of lab to the new address. After reviewing relevant contracts and the minutes of the board of directors meeting in the company, the expense on the construction of lab increased \$9,880 thousand mainly because the area in the new site is around 1011.636 square meters. It is 204.972 square meters (25.41%) more than the area in the original site of 806.664 square meters so that the expense increased \$9,350 thousand. In addition, part of the engineering design was changed to ensure the smoother lab operation, and it caused a cost increase of \$530 thousand. The above expenses of \$9,880 thousand in total were paid by the equity fund of the company. Therefore, there is no significant exception.
Purchasing instrument and equipment	Expenditure	Estimated	55,000	Our Company plans to use NT\$55,000 thousand of the fund-raising project on the payment of purchasing instrument and equipment. Up to the first quarter of 2022, the expected capital expenditure of the Company was NT\$55,000 thousand and the actual accumulated expenditure was NT\$55,331 thousand with the actual accumulated capital implementation schedule of 100.6%. The plan will only show the beneficial results when the programs of esophageal repairing and knee cartilage repairing are launched. However, the progress of reviewing and examination from the competent authority is longer than expectation due to the review of lab construction and adjustment of manufacturing venue. It causes the delay of the benefits. Until the end of quarter 1 in 2022, knee cartilage repairing program has started to generate revenue. Nevertheless, the experiment progress of esophageal repairing program was delayed because of the delayed approval by the competent authority, the epidemic situation of COVID-19, and that part of the instruments are required for the final evaluation before purchasing. Based on the current schedule, it is expected to complete clinical trial by the first quarter of 2023 before applying examination and registration of new drugs so that the Company can obtain drug certificate and generate benefits for the Department of Biomedicine. There is no significant exception.
		Actual	55,331	
	Implementation progress (%)	Estimated	100.00%	
		Actual	100.6%	

Item planned	State of implementation		Up to quarter 1 in 2021	Cause of ahead of or behind schedule and improvement plans
Expense of clinical trial	Expenditure	Estimated	66,288	<p>The expense of clinical trial mainly includes the service commissioning fee of the entrusted research organization, which is Contract Research Organization, (hereinafter referred to as CRO commissioning fee) and hospital clinical trial fee. Among them, CRO commissioning fee is determined by the reviewing progress of the competent authority while the hospital clinical trial fee must be approved by the competent authority before it can be implemented. The clinical trial fee is mainly for esophagus repairing and knee articular cartilage repairing. Please find the explanation below:</p> <p>In terms of esophageal repairing, our company has submitted IND application to TFDA and obtained the response from TFDA on February 13th, 2019 to agree in principle the implementation of the trial. Following that, TFDA sent a letter to further explain the agreement on the trial to be implemented at National Taiwan University Hospital, E-Da Hospital, and E-Da Cancer Hospital. However, due to the pandemic of coronavirus in 2020, the original plan of entrusting CellSeed</p>
		Actual	23,609	
	Implementation progress (%)	Estimated	100%	

Item planned	State of implementation		Up to quarter 1 in 2021	Cause of ahead of or behind schedule and improvement plans
		Actual	35.61%	<p>Company in Japan to produce cell sheets was not workable. As a response to the emergency, the production of cell sheet was completed at the cell preparation center in our company as well as carried out relevant validation before submitting the application to TFDA for the change of manufacturing site. It was approved by TFDA with a formal letter and filed the change. Next is to get positive results on the trial report in our company before submitting for NDA (new drug inspection and registration).</p> <p>For knee cartilage program, our company works with E-Da Hospital and has obtained approval from Ministry of Health and Welfare on December 18th, 2019 that E-Da Hospital is the appointed venue by the cell preparation center in MetaTech (AP) Inc. followed “Administrative Regulation on Special Medical Instruments and Inspection Techniques”. It meets the regulations of Good Tissue Practice (GTP) and is approved to execute the technology of transplantation of autologous cartilage cells for the defect of knee articular cartilage at E-Da Hospital. The revenue started in May 2020. Therefore, the unused fund of \$28,181 thousand for knee articular cartilage has been adjusted as replenishing operating capital to enhance the business performance of the company. There is no significant exception.</p> <p>The fund-raising project expects to use NT\$66,288 thousand on the expense of clinical trial. By the end of the quarter 1 in 2022, the estimated accumulated expenditure was \$66,288 thousand and the actual accumulated expenditure was \$23,609 thousand while the actual accumulated implementation program was 35.61%. The actual payment progress was behind the estimated progress was due to the examination schedule from the competent authority was longer than expectation as well as the case-receiving plans affected by the global epidemic of COVID-19 and the continuous changing regulations on cell therapy. It is why the estimated progress was delayed. However, the amount of changes on the items involved was still less than 20% of the raised fund. Therefore, there is no involvement of the change of plans.</p>
Lab maintenance fee	Expenditure	Estimated	32,660	The fund-raising plan is estimated to use NT\$32,660 thousand on the expense of lab maintenance. By the end of the quarter 1 in 2022, the estimated accumulated expenditure was \$32,660 thousand and the actual accumulated expenditure was \$34,281 thousand while the actual accumulated implementation
		Actual	34,281	
	Implementation	Estimated	100%	

Item planned	State of implementation		Up to quarter 1 in 2021	Cause of ahead of or behind schedule and improvement plans
	progress (%)	Actual	104.96%	progress was 104.96%. The construction of the lab has been completed and the acceptance inspection was completed as well as the subsequent lab maintenance fee. After evaluation the reasons for the payment schedule, it is reasonable. The lab in our Company has started to carry out pilot production by the end of 2018. The lab maintenance fee of the preliminary stage was lower, and it will increase along with the continuous research and production. There is no significant exception.
Total	Expenditure	Estimated	546,548	In terms of the implementation state of capital increase by cash in 2017 to the quarter 11 in 2022, the implementation progress of expenditure was 92.10%. It was behind the expected schedule mainly because the longer time for reviewing by the competent authority and the changing legal regulations of cell treatment. There is no significant exception involved after evaluation.
		Actual	503,374	
	Implementation progress (%)	Estimated	100%	
		Actual	92.10%	

Appendix 5: Report of sound operational plan implementation of the company

MetaTech (AP) Inc.

State of implementation of sound operational plan for 2020 capital increase in cash

According to letter No. Chin Guan Cheng Fa Zi Di 1100335941 issued by Financial Supervisory Commission on April 14th, 2021, the implementation of our Company's sound operational plan shall be reported to the board of directors quarterly for supervision and submitted the report to the shareholders meeting.

1. Implementation in 2021:

Unit: NT\$ Thousand

Item of account	2021 Actual		2021 Forecast		Difference	Conversion Rate
	Amount	%	Amount	%		
Operating revenue	2,011,817	100	1,661,179	100	350,638	121%
Operating cost	1,746,775	87	1,403,084	84	343,691	124%
Gross profit	265,042	13	258,095	16	6,947	103%
Operating expense	301,079	15	278,415	17	22,664	108%
Net operating profit (loss)	(36,037)	(2)	(20,320)	(1)	(15,717)	177%
Non-operating income (expenditure)	(7,757)	(0)	(8,987)	(1)	1,230	86%
Net profit (loss) after tax	(53,381)	(3)	(29,522)	(2)	(23,859)	181%
Ownership of parent	(24,119)	1	(29,522)	(1)	5,403	82%
Non-controlling interest	(29,262)	(3)	-	-	(29,262)	-

2. Explanation on the variance of implementation in 2021:

(1) Operating revenue:

Unit: NT\$ Thousand

Item	2021 Actual	2021 Forecast	Difference	Conversion Rate
Electronic products and other products	1,810,878	1,560,913	249,965	116%
Biomedical products	200,939	100,266	100,673	200%
Total	2,011,817	1,661,179	350,638	121%

The consolidated actual operating income of the company in 2021 was 2,011,817 thousand yuan, an increase of 350,638 thousand yuan compared with the consolidated forecasted operating income of 1,560,913 thousand yuan in 2021, and the achievement rate was 121%. Electronics and biomedical reached 116% and 200% respectively. Electronic products are mainly due to the increase in end-customer demand for IC components, which is higher than the forecast. Although the sales of biomedical products such as cell therapy are not as expected due to the impact of the epidemic, only the increase in the negative pressure isolation chamber business led to a higher revenue than the forecast.

(2) Gross profit (loss):

Unit: NT\$ Thousand

Item	2021 Actual	2021 Forecast	Difference	Conversion Rate
Electronic products and other products	233,095	213,295	19,800	109%
Biomedical products	31,947	44,800	(12,853)	71%
Total	265,042	258,095	6,947	103%

The actual operating gross profit of the company in 2021 was RMB 265,042,000, an increase of RMB 6,947,000 compared with the consolidated forecasted operating profit of RMB 258,095,000 in 2021, and the overall achievement rate was 103%. Although biomedical products increased the revenue of negative pressure isolation chambers, cell therapy-related products (gross profit Higher) sales were lower than expected, resulting in a decrease in operating profit of biomedical products compared to the forecast; the operating profit of electronic products increased compared with the forecast due to revenue growth.

(3) Operating expense:

The Company's consolidated actual operating expenses in 2021 were RMB 301,079,000, an increase of RMB 22,664,000 compared with the consolidated forecasted operating expenses of RMB 278,415,000 in 2021. The equity method is used to recognize the non-operating investment loss of RMB 4,935,000), so there is a difference..

(4) Net operating profit (loss):

The company's consolidated actual operating net loss in 2021 was 36,037 thousand yuan, an increase of 15,717 thousand yuan compared with the 20,320 thousand yuan combined forecasted operating net loss in 2021. Although the operating gross profit increased by 6,947 thousand yuan compared with the forecast, due to the operating expenses on the consolidated Lejia account 33,522,000 yuan, resulting in a larger overall operating net loss.

(5) Non-operating income and expenditure:

The company's consolidated actual non-operating income and expenditure net expenditure in 2021 was 7,757 thousand yuan, a decrease of 1,230 thousand yuan compared with the 2021 consolidated forecast non-operating income and expenditure net expenditure of 8,987 thousand yuan. 1,000 yuan, and the

original forecast amount of 4,935,000 yuan of investment loss recognized by the equity method of Le Jiakai, which was transferred to the net operating loss due to the relationship in the consolidated statement.

(6) Net profit after tax:

The company's consolidated actual after-tax net loss in 2021 is 53,381 thousand yuan, of which non-controlling equity after-tax net loss is 29,262 thousand yuan, and the after-tax net loss attributable to the owner of the parent company is 24,119 thousand yuan and the predicted after-tax net loss is 29,522 thousand yuan. 5,403,000 yuan, mainly due to the decrease in loss due to the increase in operating gross profit compared with the forecast..

(7) Non-controlling interest

Non-controlling interests of RMB 29,262,000 were generated in the current period, because Lejia was expected to be an investment company using the equity method at the time of the original forecast and estimation. Therefore, the investment benefit of Lejia Company for the year was the provision of investment losses of RMB 4,935,000 under the item of non-operating expenses. After the official management team of Lejia Company settled in, the company has substantial control over it, so it is judged as a subsidiary according to law. The current loss of RMB 29,262,000 is expressed under non-controlling interests.

Appendix 6: The progress of plant construction for the investment of Locus Cell Co., Ltd. through capital increase by cash in 2020 as well as the report of effect achieved

Schedule control plan for the new plant construction at Zhubei Biomedical Science Park by Locus Cell Co., Ltd.

Phase	Year/ Month	2022												2023												2024	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Design Phase	Signing entrusted technology service contract	■																									
	On-site topographic survey and geologic drilling (20 days)		■																								
	Initial design drawing discussion and confirmation (80 days)		■	■	■	■																					
	Preparation of drawings for preview (10 days)				■	■																					
	Application of preview and obtaining permit (20 days)				■	■	■																				
	Preparation of drawings for urban design review (10 days)				■	■																					
	Application of urban design review and obtaining permit (60 days)				■	■	■	■	■																		
	Completion of drawings for building permit application (30 days)								■	■	■																
	Completion of drawings for building permit application (30 days)									■	■	■															
	Applying and obtaining building permit (30 days)										■	■	■														
Owner's cooperation	Owner's review on the drawings for permit application (5 days)																										
	Owner's review on the building contracting drawings and budget (5 days)																										
	Submission of information for detailed design demands (15 days)			■	■	■																					
	Provision of information for building permit application (15 days)																										
	Completion of contracting out the project (30 days)																										
Construction phase	Commencement of the project and falsework (10 days)																										
	Earth retaining fence and earthwork (30 days)																										
	Raft foundation structure RC engineering (water tank) (30 days)																										
	Underground level 1 to level 2 RC structure engineering (60 days)																										
	Overground 10 layers RC structure (170 days)																										
	Aluminum facade system or metal sandwich installation (90 days)																										
	Interior decoration (240 days)																										
	Surrounding road drainage and landscape plantation (45 days)																										
Application of firefighting inspection and use license (45 days)																											

Effect achieved

Unit: \$Thousand

Item \ Year	2020		2021	
	Amount	%	Amount	%
Operating income	-	-	-	-
Gross operating profit	-	-	-	-
Operating profit (loss)	-63	-	-33,522	-
Non-operating income and expenditure	0	-	-996	-
Net loss before tax	-63	-	-34,518	-
Current net loss	-63	-	-34,518	-
Total current consolidated loss	-63	-	-34,518	-
Earnings per share	-0.63	-	-0.27	-

The net loss after tax of Locus cell Co. Ltd. for 2021 is \$34,519 thousand, an increase of \$34,455 thousand compared to last year. Such an increase is mainly due to that while the establishment of the Company was in fiscal 2020, only expenses relating to Company establishment preparation were incurred, while the establishment of the Company's management in fiscal 2021 incurred operating management and personnel expenses associated with the recruitment of senior personnel.

Appendix 7: Comparison Table of Amended Articles of “Code of Practice for Corporate Social Responsibility”

MetaTech (AP) Inc.

Comparison Table of Amended Articles of Code of Practice for Sustainable Development

Article after revision	Article before revision	Description
<p>Article 1 To fulfill corporate social responsibility as well as promote economic, environmental, and social progress in order to achieve the goals of sustainable development, MetaTech (AP) Inc. (hereinafter referred to as “the Company”) established “Code of Practice for Sustainable Development” (hereinafter referred to as “the Code of Practice”) according to “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” jointly published by Taiwan Stock Exchange and Taipei Exchange for compliance.</p> <p>Article 2 (2) When engaging with business operation, the Company shall actively fulfill the corporate social responsibility so as to follow the trend of international development. Besides, we shall enhance the contribution to the economics of the country as well as improve the life quality for employees, communities, and the society by acting as a responsible corporate citizen to promote competitive edges built on sustainable development.</p> <p>Article 3 In fulfilling sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</p> <p>Article 4 To implement sustainable development initiatives, the Company shall follow the principles below:</p>	<p>Article 1 To fulfill corporate social responsibility as well as promote economic, environmental, and social progress in order to achieve the goals of sustainable development, MetaTech (AP) Inc. (hereinafter referred to as “the Company”) established “Code of Practice for” (hereinafter referred to as “the Code of Practice”) according to “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” jointly published by Taiwan Stock Exchange and Taipei Exchange for compliance.</p> <p>Article 2 (2) When engaging with business operation, the Company shall actively fulfill the corporate social responsibility so as to follow the trend of international development. Besides, we shall enhance the contribution to the economics of the country as well as improve the life quality for employees, communities, and the society by acting as a responsible corporate citizen to promote competitive edges built on corporate social responsibility.</p> <p>Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p>Article 4 To implement corporate social responsibility initiatives, the Company shall follow the principles below: 4. Enhance disclosure of corporate social</p>	<p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p>

<p>4. Enhance disclosure of corporate sustainable development information.</p>	<p>responsibility information.</p> <p>Article 5 (1) The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.</p> <p>(2) When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors shall review and consider including it in the shareholders meeting agenda.</p> <p>Article 7 (1) The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.</p> <p>(2) The board of directors of the Company shall give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its sustainable development initiatives:</p> <ol style="list-style-type: none"> 1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines. 2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives. 3. Ensuring the timeliness and accuracy of the disclosure of sustainable development information. <p>Article 8 The Company shall, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p> <p>Article 9 (1) For the purpose of managing sustainable development initiatives, the Company shall</p>	<p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised</p>
--	---	--

<p>establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>(3) It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.</p> <p>Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.</p> <p>Article 12 The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p> <p>Article 14 The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans when necessary, and should hold environment education courses for their managerial officers and other employees on a periodic basis.</p> <p>Article 17 (1) The Company shall assess the current and future potential risks and opportunities that climate change may present to the Company and to adopt climate related measures. (2) The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions</p>	<p>establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>(3) It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.</p> <p>Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.</p> <p>Article 12 The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p> <p>Article 14 The Company must establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.</p> <p>Article 15 7. Implement energy saving and carbon reduction measures in the workplace.</p> <p>Article 17 (1) The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions</p>	<p>according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Deleted according to the legal regulation.</p> <p>Added according to the legal regulation.</p> <p>Revised the numbering.</p>
---	--	---

<p>resulting from the generation of input electricity, heating, or steam.</p> <p>3. Other indirect emissions: emissions resulting from the activities in the Company, that are not energy indirect emissions but are from other sources of emissions owned or controlled by the Company.</p> <p>(3) The Company shall compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</p>	<p>resulting from the generation of externally purchased or acquired electricity, heating, or steam.</p> <p>(2) The Company shall pay attention on the impact to the operating activities caused by the climate change as well as establish policies for energy conservation and carbon and greenhouse gas reduction based on the operating situation and inspecting result of greenhouse gas. The Company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</p>	<p>Revised according to the legal regulation.</p> <p>Added according to the legal regulations.</p> <p>Revised according to the legal regulation and changed the numbering.</p>
<p>Article 21</p> <p>(2) The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>Article 21</p> <p>(2) The Company shall appropriately reflect the business performance or achievements of the Company in the employee remuneration policy to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>Revised according to the legal regulation.</p>
<p>Article 25</p> <p>(2) The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>Article 25</p> <p>(2) The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>Revised according to the legal regulation.</p>
<p>Article 27</p> <p>(2) The Company shall establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society as well as avoid conducting transactions with those against corporate social responsibility policy.</p>	<p>Article 27</p> <p>(2) Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society as well as avoid conducting transactions with those against corporate social responsibility policy.</p>	<p>Revised according to the legal regulation.</p>
<p>Article 28</p> <p>(1) The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>(2) The Company shall, through equity</p>	<p>Article 28</p> <p>(1) The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>(2) The Company shall, through equity investment, health management, long-term care,</p>	<p>Revised according to the legal regulation.</p> <p>Revised</p>

<p>investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>regenerative medicine development, commercial activities, endowments, volunteering service, seminars co-held with academic institutes or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>according to the legal regulation.</p>
<p>Chapter 5 Enhancing Disclosure of Corporate Sustainable Development Information</p>	<p>Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information</p>	<p>Revised according to the legal regulation.</p>
<p>Article 29 (1) The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency. (2) Relevant information relating to sustainable development which the Company shall disclose includes: 1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors. 3. Goals and measures for realizing the sustainable development initiatives established by the Company and performance in implementation. 6. Other information relating to sustainable development initiatives.</p>	<p>Article 29 (1) The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. (2) Relevant information relating to corporate social responsibility which the Company shall disclose includes: 1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation. 6. Other information relating to corporate social responsibility initiatives.</p>	<p>Revised according to the legal regulation.</p>
<p>Article 30 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.</p>	<p>Article 30 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.</p>	<p>Revised according to the legal regulation.</p>
<p>Article 31 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the</p>	<p>Article 31 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.</p>	<p>Revised according to the legal regulation.</p>

<p>sustainable development policy.</p> <p>Article 32 The code of practice or relevant system, management guidelines and concrete promoting plans shall be approved by the resolution of the Board of Directors before announcing for implementation. The same procedure shall be followed for revision.</p>	<p>Article 32 The code of practice or relevant system, management guidelines and concrete promoting plans shall be approved by the resolution of the Board of Directors before announcing for implementation as well as reported at the Shareholders' Meeting. The same procedure shall be followed for revision.</p>	<p>Revised the article.</p>
---	---	-----------------------------

Appendix 8: Comparison Table of Amended Articles of “Procedures for Acquisition or Disposal of Assets”

MetaTech (AP) Inc.

Comparison Table of Amended Articles of Procedures for Acquisition or Disposal of Assets

Article after revision	Article before revision	Description
<p>5.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <p>5.4.2 When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>5.4.3 The Company shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>5.4.4 The Company shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p> <p>7.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>7.3 The individual company in the Group shall follow the regulations of property, plant and equipment cycle specified in the Group’s internal control system when acquiring or disposing real estate or equipment.</p> <p>8.1 An individual company in the Group acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain</p>	<p>5.4 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:</p> <p>5.4.2 When auditing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>5.4.3 The Company shall undertake an item-by-item evaluation of the completeness, correctness, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>5.4.4 The Company shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and correctness, and that they have complied with applicable laws and regulations.</p> <p>7.1.3 Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price according to Auditing Standards Bulletin No. 20 published by Accounting Research and Development Foundation:</p> <p>7.3 The individual company in the Group shall follow the regulations of fixed asset cycle specified in the Group’s internal control system when acquiring or disposing real estate or equipment.</p> <p>8.1 An individual company in the Group acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial</p>	<p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Revised part of the text.</p> <p>Revised according to the legal regulation.</p>

<p>financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the certified public accountant requires an expert report, it shall be dealt with according to Auditing Standards Bulletin No. 20 published by Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>9.1 Where an individual company in the Group acquires or disposes of intangible assets or right-of-use assets thereof or memberships, and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>9.1 Where an individual company in the Group acquires or disposes of intangible assets or right-of-use assets thereof or memberships, and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The accountant shall deal with it according to Auditing Standards Bulletin No. 20 published by Accounting Research and Development Foundation.</p>	<p>Revised according to the legal regulation.</p>
<p>11.2 When an individual company in the Group intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Audit Committee of the Company as well as approved by more than half of the members of the Audit Committee. The company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>	<p>11.2 When an individual company in the Group intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Audit Committee of the Company as well as approved by more than half of the members of the Audit Committee. The company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>	<p>Revised and deleted part of the text.</p>
	<p>11.3 The calculation of the transaction amounts referred to in 11.2 shall be made in accordance with 16.1.7 herein, and "within the preceding year" as used herein refers to the year preceding</p>	<p>Revised the numbering of the article to 11.6.</p>

<p>11.3 With respect to the types of transactions listed below, when to be conducted between the individual company in the Group, the Company's board of directors may pursuant to Article 7.2, 8.2, and 9.2 to delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>11.3.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>11.3.2 Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>11.4 When submitting to the Audit Committee for discussion according to Article 11.2, if it is not agreed by more than half of the total members of the committee, it can be implemented after being approved by more than two-thirds of the board members. The resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>11.5 If an individual company in the will have a transaction set out in Article 11.2 and the transaction amount will reach 10 percent or more of the company's total assets, the Company shall submit the materials specified in 11.2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</p> <p>11.6 The calculation of the transaction amounts referred to in Article 11.2 and 11.5 shall be made in accordance with Article 16.1.7, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>12.4 Where an individual company in the Group acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 11, and Article 12.1~12.3 do not apply:</p> <p>12.6.2 Independent directors shall comply with Article 218 of the Company Act.</p>	<p>the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount. (Moved it to 11.6)</p> <p>11.4 With respect to the types of transactions listed below, when to be conducted between the individual company in the Group, it shall be handled according to the regulations of Article 7.2, 8.2, and 9.2.</p> <p>11.4.1 Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>11.4.2 Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>11.5 When submitting to the Audit Committee for discussion according to Article 11.2, if it is not agreed by more than half of the total members of the committee, it can be implemented after being approved by more than two-thirds of the board members. The resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>(Original 11.3)</p> <p>12.4 Where an individual company in the Group acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Article 11.2~11.5, and Article 12.1~12.3 do not apply:</p> <p>12.6.2 Independent directors shall comply with Article 218 of the Company Act. If an Audit Committee has been established according to the regulations of the procedures, the first paragraph of the article related to the independent directors of the Audit Committee shall be applicable.</p>	<p>Revised the numbering of the article and part of the content.</p> <p>Revised the numbering of the article.</p> <p>Revised the numbering of the article.</p> <p>Revised according to the legal regulation.</p> <p>Revised the number of original article 11.3 to 11.6 and change some texts.</p> <p>Revised and deleted part of text.</p> <p>Deleted part of the content.</p>
--	--	---

<p>16.1.6 Where an asset transaction other than any of those referred to in Article 16.1.1~16.1.5, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>16.1.6.1 Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>16.1.6.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>17. Total limits of amounts for investment on real estate for non-business use, its right-of-use asset, and securities. The limits of the acquisition of above assets for the individual companies in the Group are as below:</p> <p>17.1 Real estate and its right-of-use asset for non-business use: It is limited to the individual net book value of 20 percent for the Company and its subsidiaries.</p> <p>17.2 Total investment amount of securities (refer to the original investment amount): It is limited to the individual net book value of 200 percent for the Company and its subsidiaries.</p> <p>17.3 Amount of investment in individual security (refer to the original investment amount): It is limited to the individual net book value of 120 percent for the Company and its subsidiaries.</p> <p>18. Penalty: Any personnel in the individual company of the Group violates the procedures or regulations when dealing with the acquisition or disposal of assets shall be reported for assessment according to “Personnel Management Regulations” and shall be punished based on the seriousness of the violation.</p> <p>19. Other matters: 19.1 Information required to be publicly announced and reported in accordance with the provisions of the Article 16 on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in</p>	<p>16.1.6 Where an asset transaction other than any of those referred to in Article 16.1.1~16.1.5, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>16.1.6.1 Trading of domestic government bonds.</p> <p>16.1.6.2 Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>17. Penalty: Any personnel in the individual company of the Group violates the procedures or regulations when dealing with the acquisition or disposal of assets shall be reported for assessment according to “Personnel Management Regulations” and shall be punished based on the seriousness of the violation.</p> <p>18. Other matters: 18.1 Information required to be publicly announced and reported in accordance with the provisions of the Article 16 on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in</p>	<p>Revised according to the legal regulation.</p> <p>Revised according to the legal regulation.</p> <p>Added the article.</p> <p>Added the article.</p> <p>Added the article.</p> <p>Added the article.</p> <p>Revised the numbering of the article.</p> <p>Revised the numbering of the article.</p>
--	---	---

<p>Taiwan shall be reported by the Company. Article 16.1.1~16.1.6 are applicable to the subsidiary of the Company for the declaration standard of 20 percent of the paid-in capital or 10 percent of the total assets. It shall be based on the paid-in capital or total assets of the Company.</p> <p>19.2 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>19.3 In the case of an individual company in the Group whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p> <p>19.4 Any matter that is not specified in the procedures shall be handled according to the relevant legal regulations.</p> <p>20. Implementation: The procedures shall be shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. After the approval of the board of directors, it shall be submitted to the shareholders' meeting for approval. The same procedures shall be followed for revision. If it fails to be approved by more than one-half of the total audit committee members, it can be implemented after the approval by more than two-thirds of the board members. The resolution of the Audit Committee shall be recorded in the meeting minute of the board meeting.</p>	<p>Taiwan shall be reported by the Company. Article 16.1.1~16.1.6 are applicable to the subsidiary of the Company for the declaration standard of 20 percent of the paid-in capital or 10 percent of the total assets. It shall be based on the paid-in capital or total assets of the Company.</p> <p>18.2 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>18.3 In the case of an individual company in the Group whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</p> <p>18.4 Any matter that is not specified in the procedures shall be handled according to the relevant legal regulations.</p> <p>19. Implementation: The procedures shall be shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution. After the approval of the board of directors, it shall be submitted to the shareholders' meeting for approval. The same procedures shall be followed for revision. If it fails to be approved by more than one-half of the total audit committee members, it can be implemented after the approval by more than two-thirds of the board members. The resolution of the Audit Committee shall be recorded in the meeting minute of the board meeting.</p>	<p>Revised the numbering of the article.</p> <p>Revised the numbering of the article.</p> <p>Revised the numbering of the article. Revised the numbering of the article.</p>
--	--	--

Appendix 9: Rules of Procedure for Shareholders Meetings

MetaTech (AP) Inc.

Rules of Procedure for Shareholders Meetings

1. Except as otherwise provided by other laws and specified separately, the shareholders meetings in the Company shall follow the Rules.
2. Shareholders (or their proxies) shall sign in when they attend the shareholders meeting. Shareholders shall hand in a sign-in card in lieu of signing in as the sign-in procedure. The number of shares in attendance shall be calculated according to the sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically to calculate the stock right presented.
3. The chair shall call the meeting when the attending shareholders represent a majority of the total number of issued shares. If the number of attending shareholders is less than the legal number required by the meeting time, the chair may announce a postponement, provided that no more than two such postponements for a combined total of no more than one hour. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, it shall be handled according to Article 175 of the Company Act (a tentative resolution can be adopted with the agreement from the voting rights attended). Prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholder meeting pursuant to Article 174 of the Company Act.
4. The agenda of the shareholders meeting shall be determined by the board of directors, and it shall be distributed to the shareholders or their proxies attending the meeting. The meeting shall be carried out according to the agenda arranged. Other than the proposals listed in the agenda, other proposals or the amendment or an alternative shall require an affirmative. The voting rights represented by the shareholder who proposed and the affirmatives shall be more than 1% (included) of the number of ordinary shares issued. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. Any proposal that is not in the agenda or involves with the situation above will not be discussed or voted. The chair must not announce the meeting is over before all the proposals on the agenda (including extempore motion) are discussed without resolution from the shareholders. If the chair violates the rules and declares the meeting is over, the attending shareholders with voting rights can elect one from them to be the chair by the agreement of majority and carry on the meeting. After the meeting, shareholders must not select another chair to continue the meeting at the original site or another venue.
5. During the meeting, the chair can announce a break according to the schedule of the meeting.
6. Before the attending shareholder speaks for any subject, he/she shall write down the shareholder number and name on the speaker's slip for the chair to decide the sequence of the speech.
7. When discussing proposals, it shall be discussed according to the order listed on the agenda. If there is any violation on the procedure, the chair shall suspend the person from speaking.
8. The speech from the attending shareholder must not be over five minutes each time. However, it can be extended for three minutes with the permission of the chair. Any speech over the time or not related to the scope of the proposal discussing shall be banned by the chair.
9. Each proposal can only be spoken by either the shareholder or one legal representative (if the legal person assigns several representatives to attend the meeting, only one of them can speak). The speech will be limited to twice, the maximum.
10. When discussing proposals, the chair can announce the closure of the discussion at the

appropriate time. When necessary, the chair can announce the termination of the discussion.

11. Other than it is specified by the special resolution of the Company Act, the voting for the proposal shall be agreed and approved by the majority of the attending shareholders with voting rights. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence (based on the proviso of Article 177-1 of the Company Act that companies using electronic voting: When the Company holds shareholders meetings, it shall adopt voting in writing or electronic means) . When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoids the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. A shareholder shall be entitled to one vote for each share held. For shareholders appoint proxies to attend the shareholders meeting, with the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
12. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may

distribute the meeting minutes of the preceding paragraph by means of a public announcement.

13. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
14. If there is any unspecified matter in the rules, it shall be handled according to the Company Act, relevant laws, and Articles of Incorporation of the Company.
15. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be implemented in the same manner.

Appendix 10: Shareholding Status by Directors

MetaTech (AP) Inc. Shareholding Status by Directors

- The minimum shares to be held by all the directors
The minimum shares to be held by all the directors shall be 5,453,811 shares.
- The shares held registered on the shareholder book by the date for suspension of share transfer:

The date for suspension of share transfer:
May 1st, 2022

Title	Name	The shares held registered on the shareholder book by the date for suspension of share transfer	
		Shares held	Holding ratio (%)
President	Da Jyun Capital Investment Corporation Representative: Chih-Hui Yang	197,000	0.29%
Director	MetaTech Investment Holding Co., Ltd. Representative: Zong-Ji Chen Representative: Hung-De Tang Representative: Hui-Chun Wang	3,141,924	4.61%
Director	National Development Fund, Executive Yuan Representative: Ming-Hsien Wu	3,159,928	4.64%
Director	Jun Investment International Co., Ltd. Representative: Kuan-Ling Lai	3,601,516	5.28%
Independent director	Wen-Chu Wang	-	-
Independent director	Chun-Rong Chiu	-	-
Independent director	Shih-Chieh Yang	-	-
Shares held by all of the directors		10,100,368	14.82%

Appendix 11: Other Explanation and Information

Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted by the Company:

It is not applicable because there was no stock dividend distributed in this fiscal year.

Information of employee compensation and numeration to the directors and supervisors approved by the board of directors:

1. The proposal of covering losses in 2020 in the Company has been approved by the resolution at the board of directors on March 26th, 2021. The state of employee compensation and numeration to the directors and supervisors are as below:
 - a. Cash dividend and stock dividend to employees: NT\$0
 - b. Numeration to directors and supervisors: NT\$0
2. If the amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors approved by the board of directors involves with any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The proposed cash dividend and stock dividend to employees and the numeration to directors and supervisors are NT\$0, and it is the same as the recognized annual estimated amount of NT\$0.



MetaTech

三顧股份有限公司

Stock Code **3224**
