



Stock Code: 5457

SPEED TECH CORP.

2021 Annual Shareholders Meeting
Meeting Agenda

Date: June 28, 2021
Location: No. 568 Sec.1 Minsheng N. Road., Guishan Dist., Taoyuan City
(Conference Room of the Company)

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SPEED TECH CORP.

2021 Annual Shareholders Meeting Procedures

- 1. Call Meeting to Order**
- 2. Chairman's Statement**
- 3. Company Reports**
- 4. Matters for Ratification**
- 5. Discussion Items**
- 6. Extempore Motion**
- 7. Adjournment**

SPEED TECH CORP.
2021 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m. Thursday, June 11, 2020

Place: No. 568 Sec. 1 Minsheng N. Rd., Guishan Dist., Taoyuan City (Conference Room of the Company).

1 Comencement of meeting, report the number of shares of present in person.

2 Chairman's Statement

3 Company's Report

- (1) 2020 Business Report
- (2) 2020 Supervisors' Review Report
- (3) 2020 Report on Remuneration Distribution for Employees, Directors and Supervisors
- (4) 2020 Status of Endorsement and Guarantee
- (5) Settlement Report on The Case of Issuance of Ordinary Shares by Cash Capital Increase of The Company

4 Matters for Ratification

- (1) To accept 2020 Business Report and Financial Statements
- (2) To approve the proposal for Profits Distribution for 2020

5 Discussion Items

- (1)The amendments to the Article of Incorporation
- (2)The amendments to the Company's "procedures for the administration of loan of funds to others and endorsement and guaranty"

6 Extempore Motion

7 Adjournment

Company Reports

1. To accept 2020 Business Report

Explanation: Please refer to Attachment 1, P.6

2. To accept 2020 Supervisors' Review Report

Explanation: Please refer to Attachment 2, P.10

3. To approve 2020 Remuneration Distribution for Employees and Directors and Supervisors

Explanation:

- (1) In accordance with Article 19 of the Articles of Incorporation, this Corporation, before paying dividends or bonuses to shareholders, shall set aside not less than 3% as profit sharing bonuses to its employees and not more than 3% of its annual profits as compensation to its directors and supervisors; provided, however, that this Corporation shall have reserved a sufficient amount to offset its accumulated losses first.
- (2) The Company's net profit before tax for the year 2020 (net of benefits before distributing staff's and directors' remuneration) was NT\$936,756,972. It is proposed to provide 3% (NT\$ 28,102,710) as staff remuneration and 0.96% (NT\$9,000,000) as directors' remuneration, both of which are paid in cash. There is no difference from the recognition fees for 2020.

4. To accept 2020 Status of Endorsement and Guarantee

Explanation: As of 2020, the Company has no endorsement or guaranty. According to article 22 of "management procedures for the loan of funds to others and endorsement and guaranty," the report shall be submitted to the shareholders' meeting for future reference.

5. Report on the settlement of the case of issuance of ordinary shares by cash capital increase

Explanation:

- (1) To enhance its capital and improve the financial structure, the Company proposed the issuance plan of cash capital increase by issuing new shares and the second domestic unsecured Switching Company bonds. The program is set at the 8th meeting of the 13th session of the director board on 13 November 2020. It raises a total of NT\$2,000,000 thousand to repay the bank loans of NT\$1,260 thousand and enrich the operating capital of NT\$740,000 thousand.
- (2) After the case was approved by Letter Jing-Shou-Shang No. 10301007720 dated 14 January 2021, the development of the Company's share price according to the pricing plan's schedule is observed to complete the fund-raising before 14 April 2020 successfully. However, the Covid-19 has continued to affect the political and economic situation at home and abroad. Considering the changes in the domestic capital market conditions, if the price is determined promptly, the issuing conditions may not be ideal, which may damage the shareholders' rights and interests. The Company intends to apply for cancellation of the cash capital increase and issuance of common shares.
- (3) After the amendment mentioned, the total amount of raised funds decreased by NT\$1,000,000 thousand. The repayment of bank borrowings was adjusted from NT\$1,260,000 thousand to NT\$927,030 thousand. The amount of operating capital replenishment was changed from NT\$740,000 thousand to NT\$72,970 thousand. Please refer to pages 37-41 of Appendix 5 for details of the planned projects before and after the revision, the estimated implementation progress, and the estimated possible benefits.

Matters for Ratification

Proposal 1

**Subject: To accept 2020 Business Report and Financial Statements
(Proposed by the Board of Directors)**

Explanatory Notes:

- (1) 2020 Individual and Consolidated Financial Statements of this Corporation were audited by independent auditors, Shi-Jun Huang and Jia-Hong Lin of PwC Taiwan and the audit report with an unqualified opinion has been issued.
- (2) The Audit Committee has reviewed the Financial Statements, which state above, and the Business Report, and has issued an audit report. Please refer to Attachment 1 to 3, P.6-35 for a reference.
- (3) Your acceptance is appreciated.

Resolution:

Proposal 2

**Subject: To approve the proposal for distribution of 2020 earnings
(Proposed by Board of Directors)**

Explanatory Notes:

- (1) 2020 net profit after tax of the company is NT\$703, 974, 944.
- (2) It is proposed that a cash dividend at NT\$2.1 per common share will be distributed, with a total amount of distribution at NT\$355,623,450, and relevant information including dividend allocation and payment date shall be set up by the Board of Directors otherwise.
- (3) Should there be any changes to the interest distribution rate for shareholders which require rectification resulted from number of outstanding shares due to change in this Corporation's stock capital in the future, it is proposed that the shareholders' meeting authorize the Board of Directors to be in full charge of such affairs.
- (4) The cash dividends will be distributed to each shareholder based on shareholding percentages, and be rounded down to the nearest dollar. The amounts under one dollar due to the rounding off are summed and be adjusted by ordering decimals from greatest to least and account numbers from the first to last until to be in accordance with the distribution amounts of cash dividends.
- (5) Your approval is appreciated.

Resolution:

Discussion Items

Discussion No.1:

Amendments to the Memorandum and Articles of Association. Please proceed to discuss.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) To meet the requirements of relevant laws and regulations and operational development, some provisions of the Memorandum and Articles of Association were amended.
- (2) Please refer to page 43 of Attachment 6 for the comparison table of provisions before and after the amendment of the Memorandum and Articles of Association.
- (3) Please proceed to discuss.

Resolutions:

Discussion No.2:

Amendments to the Guideline for Loaning Funds to Others. Please proceed to discuss.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Based on Letter Jing-Shou-Shang No. 1080304826 dated 17 March 2019, some provisions of the Guideline for Loaning Funds to Others were revised, and accordingly the Company revised "procedures for the management of loan of funds to others and endorsement and guaranty."
- (2) Please refer to page 45-52 of Attachment 7 for the comparison table of provisions before and after the amendment of the Guideline for Loaning Funds to Others.
- (3) Please proceed to discuss.

Resolutions:

Extempore Motion

Adjournment

Attachment I

Business Report

Dear shareholders,

First of all, we would like to express our deepest gratitude to the shareholders for the support and encouragement over the past year of Seepd Tech. We hereby present the Company's 2020 business status and operation status and future roadmap as follows:

I. 2020 Business Report:

1. Operating Results:

In 2020, our Company made NT\$14,806,572,000 in net consolidated operating revenues, compared to net consolidated operating revenues of NT\$11,260,075,000 in 2019, we saw an approximately 31.50% revenue increase. The consolidated net income after tax was NT\$1,401,781,000, of which the net profit after tax attributed to the parent company was NT\$703,975,000. The earnings per share was NT\$4.19.

2. Budget Implementation:

Our company did not disclose financial forecast in 2020, there is no need to report the budget implementation.

3. Revenues, Expenses and Profitability Analysis:

Unit: In Thousands of NTD; %

Items		Year	2020	2019
Revenue and Expenses	Interest income		6,231	9,469
	Interest expense		34,390	39,098
Profitability	Return on assets (%)		11.60	1.39
	Return on equity (%)		31.29	20.23
	Operating income to the paid-in capital ratio (%)		104.53	49.97
	Pre-tax net profit to paid-in capital ratio (%)		104.51	51.27
	Net profit margin (%)		9.47	5.80
	Earnings per share (Loss) / (NT\$)(Note)		4.19	2.19

4. Research and Development:

Our company has invested about 7% of net sales revenue in Research and Development in the past years. There are great development achievements in various areas. The focus of Research and Development includes developing new products, equipments and new technology. The development of new products includes the following categories:

- (1) RF Switch, RF Coaxial Connector and RF Cable, USB C Type, and RF BTB, can be used in smart phones, tablet PCs, Ultrabook, wearable devices, Game Console, Netcom and information appliances and other products
- (2) RJ 1G/2.5G/5G/10G +30WPoE/60WPoE/90W PoE/130WPoE, etc. -- wired network interface connector, can be applied to Small Cell, Switch, AP, PC, AIO, Game Console, Server, Workstation and other products.
- (3) SAS Connector, mini-SAS HD Connector, Slimline SAS, and OCulink Connector, these high-speed connectors can be used in cloud computing technology.
- (4) Sensor Connector, Lan Transformer, glucose meter connector and other precision parts can be used in medical and consumer markets.
- (5) Using advanced equipments, stable and high-quality automatic production line to customized SMT parts service to Group and clients.
- (6) Liquified silicon rubber manufactured through compression molding used in automotive, medical and consumer electronic products.
- (7) Development on relevant product line for system assembly FATP used in relevant USB4.0 & TBT4 products application.

II. 2021 Annual Operating Plan Summary

1. 2021 Business Policy

- (1) Our company will actively develop niche products such as high frequency high-speed transmission connectors and strengthen automated production control to create growth in performance and profits.
- (2) Our company, in combination with Luxshare Precision Industry's distribution channels and product advantages, will devote to the early-stage development with other associations and will participate in innovative design for brand clients from Europe, America, and mainland China, in order to take the preemptive opportunities in the market.
- (3) In response to rising costs of all parties, our company will strengthen cost management and adjust manufacturing model to reduce the cost effectively and to maximize profits.
- (4) Comply with the market trend for the future, our company will continue to exploit new markets, strengthen the market competitiveness, and increase the company's operating performance.

2. The Expected Number of Sales and Its Basis

In the year 2021, the global economy and industry will still face Covid-19 threats and other factors. The research institutions selected star industries such as semiconductors, electric vehicles, price increase benefits and 5G, long-distance demand, which will drive the demand of sub-industries such as wafer foundry, IC design, Wi-Fi 6, NB, equipment and materials, automotive electronics, DRAM, passive components, 5G equipment, and raw materials.

- (1) 5G construction needs start and e-commerce zero contact business opportunities continue to flourish

5G infrastructure will continue to start this year after the telecom operators of various countries start 5G in 2020. It is expected that broadband access equipment, commercial Netcom equipment, Internet of things equipment, and small base stations will benefit from 5G construction to drive demand. In addition, the trend of zero contact is derived from the need for epidemic prevention. The performance of the e-commerce industry in various countries in 2020 has reached new highs, and consumers are more and more used to online shopping. At the same time, due to the restrictions of travel bans in various countries, the demand for cross-border e-commerce will also increase, further expanding the business territory of enterprises and global business opportunities.

- (2) PC OEM continues to benefit from the long-distance demand, and the shortage factor needs to be overcome

In 2020, COVID-19 will drive the outbreak of long-distance demand, and notebook computers will have rare prosperity. In the face of continuous vaccination in various countries, the market is worried that the need for notebook computers driven by the trend of the housing economy may subside. However, the OEM is still optimistic about the continuation of the demand for long-distance work, which is expected to push up the delivery of laptops to a new high in 2021. Liang Ci-Zhen, vice chairman of Quanta, is optimistic about the continuation of the kinetic energy of the laptop shipment and predicts that a total load of laptops will take off at least 60 million this year. However, the OEM also faces the challenge of a shortage of spare parts. The tight supply will continue to the first half of this year, especially the demand gap of notebook computer panels.

- (3) Semiconductor and automotive theme

Topology Research Institute has pointed out that vehicle information communication, self-driving, and electric vehicles are the irreversible development trend of the automobile industry and are also the key to drive the growth of automotive semiconductors. It is expected that the automotive chip market will stop falling and recover in 2021, with an expected growth rate of 12.5%. According to the Industrial Technology Research Institute, the high-resolution imaging radar has become a new battlefield for traditional and new manufacturers. In addition, to adapt to the transformation of electrification and intellectualization, all major manufacturers have started to reshape the new electrical and electronic architecture. They announced that mobile would be defined by software in the future.

- (4) New lifestyle after epidemic: Reshaping AI Artificial Intelligence perception application opportunities

The epidemic has led to lifestyle changes, resulting in many business opportunities for AI Artificial Intelligence perception applications. There are three directions:

- i. Environmental clean technology: By detecting air and water quality virus pollution and the analysis of pollutant concentration, we can carry out extensive environmental monitoring.
- ii. Non-contact technology: technology can minimize the risk of contact infection, whether at home or in the workplace.
- iii. Wearable/handheld/household products physiological measurement technology: including watches, earphones, rings, patches, mobile phones, etc., with various physiological sensing elements/algorithms, users can carry out health management at any time on the premise of reducing the number of visits to hospitals.

It is expected that the new lifestyle will accelerate the steady growth of the AI perception application market. ITRI estimates that the global output value is expected to reach US\$70.3 billion in 2021, with an increase of 14.5% compared with 2020, showing strong market momentum.

- (5) Innovative field connection experience: leading the new wave of audio-visual technology

"Home" plays a more critical role in promoting the new economy, accelerating the development trend of new media audio-visual streaming, entertainment, games, remote office, online learning, and fitness. CTA (Consumer Technology Association) estimates that the North American market's spending on software and AV streaming services will grow by 11% to \$112 billion in 2021. Among them, the expenditure on film streaming increased by 15% to US\$41 billion, the spending on music streaming increased by 19% to US\$10 billion, and the spending on games increased by 8% to US\$47 billion. With AI Artificial Intelligence integrated into immersive experience audio-visual technology, international companies demonstrate various seamless Smart Life solutions, including:

- i. 8K, Mini / Micro LED, scrollable screen, transparent display, new products of the electronic competition, spatial audio, TWS, and other emerging audio-visual devices.
- ii. With the expansion of the 5G smart field application, innovative concepts such as smart perception audio-visual interaction system, epidemic prevention technology, and non-contact technology are realized. User experience is enriched, leading a better life in the future and pushing forward the global technology industry.

In summary, with the higher entry barrier of competition, connector manufacturers need to transform into a high-order and centralized industrial structure. Our company will be improving qualitatively and quantitatively, and in collaboration with various market segments to introduce new products continuously. As the whole industry growth remains, therefore our business growth can be expected.

3. The Important Marketing Policy

- (1) In collaboration with Luxshare Precision Group, our company will use their resources effectively, to maximize cost-effective, accurate inventory control and future market demand, to reduce inventory costs and management risk.
- (2) Our company will strengthen the divisional cooperation within the Group, and continue to improve production process, in order to effectively control costs and improve operational mechanisms in production and marketing.
- (3) Our company will continue to develop new products, combined with automated production, to exploit high value-added products markets, and to increase product competitiveness and gross margin.

III. Company's Future Development Strategy

In the past two years, our company continued to adjust strategy and direction, and has developed multiple new products. The "niche products", "high-frequency high-speed products" and "automation" will be the future products. It has shown its effectiveness now, transforming from low-end products to mid to high-end products.

Our overall future strategy will be "automated production technology as the core competence", "matching technology and integrated production benefits", "integrating production resources to increase efficiency and decrease cost", and "integrating Group resources to expand the market". We will fully apply these four polices to make Taiwan as a R&D, business, and automated production base. The overseas production base will combine with local resources, to expand the local market and target customers, to expanding the economies of scale, to enhance competitiveness and increase profitability.

IV. External Competitive Environment, Regulatory Environment and the Impact on the Overall Business

1. On the external competitive environment: In response to price-cutting competition in the industry, which squeez the profit margins, our company has moved towards cloud computing applications and new development of high-order transmission interface connector. We also develop and expand the precision connectors to relevant markets, to enhance the product competition threshold, decentralized irrational IT industry competitive environment, and reduce operating risk.
2. On the regulatory environment: Our company did not have any significant financial or business impact affected by any domestic/foreign policies or laws.
3. On the overall business environment: Though the mainland China market is big, the competition is relatively intense. Therefore, our company will unite with the local resources of Luxshare Precision group, focus on business sales, and adjust strategy at any time, and actively develop niche products, in order to get more benefit in this wave of change.

In the past two years, our company has established product positioning and business strategy by constantly adjustments-- speed up disposal of loss-making overseas subsidiaries and focus on the development of this industry connectors. Based on these polices, our company has developed multiple new products and has some remarkable achievements.

Our outlook in 2021, the company staffs will continue to make unremitting efforts, along with mass production and better management performance, the great profit improvement can be expected. Our company expect to make good achievement again, and share business results with shareholders.

We appreciate your continuous support and encouragement as our shareholders. Wish you good health and good luck respectfully.

SPEED TECH CORP.

Chairman TSAI, CHEN-LUNG

Manager TSAI, CHEN-LUNG

Director of Accounting CHUANG, YUEN-TUNG

Attachment II

**SPEED TECH CORP.
Supervisors Review Report**

Hereby approve

The Board of Directors has prepared and submit 2020 Business Report, Earnings Distribution Table and Consolidated Financial Statements (including Balance Sheet, Statement of Comprehensive Income, Statement of Shareholders Equity, and Statement of Cash flows) which was audited by Accountant Shi-Jun Huang and Jia-Hong Lin of PwC Taiwan and inspected by Supervisors who affirmed that there is no violation against the law and has followed the regulation of Article 219 in Company Act.

Hereby submit it for inspection.

Sincerely,

2021 Speed Tech Corp. Annual Shareholders' Meeting

The Supervisor: Asus Investment co., LTD.

Representative LIN, CHIU-TAN

The Supervisor: HSU, CHIA-TE

The Supervisor: TSAI, CHIA-WEI

March 29, 2021

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR 20000550

To the Board of Directors and Shareholders of Speed Tech Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Speed Tech Corp. and its subsidiaries (the “Group”) as at December 31, 2020 and 2019, 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(s) 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of 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 Group’s 2020 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 2020 consolidated financial statements of the current period are stated as follows:

Key audit matter - Existence of sales revenue

Description

Please refer to Note 4(31) for accounting policies on recognition of revenue, Note 6(22) for details of sales revenue.

Change in top ten customers of the Group is affected by releases of new products and business expansion. The new top ten customers might be material to the Group, and sales revenue is high risk in nature, thus, we consider the existence of sales revenue from new top ten customers 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. Understand the internal controls over sales.
2. Obtained the evaluation data of new top ten customers and verified it against significant information.
3. Tested whether the credit terms of new top ten customers have been approved appropriately.
4. Obtained the sales details of new top ten customers and verified relevant evidences.
5. Selected samples and performed confirmation of accounts receivable of new top ten customers.
6. Obtained the subsequent collections details of accounts receivable of new top ten customers and verified relevant evidences.

Key audit matter - Evaluation on inventories

Description

Please refer to Note 4(14), for accounting policies on inventory evaluation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on inventory evaluation, and Note 6(5) for details of inventories.

The Group's revenue is primarily from processing and manufacturing as well as selling of electronic connectors. The inventory value changes arising from technical transformations, environmental changes and sales situations that affect the inventory evaluation. The Group evaluates the inventory net realisable values based on judgements, identifying net realisable values for each inventory, comparing the lower of costs and net realisable values and identifying the serviceability of obsolete inventories individually, then decides the allowance for inventory evaluation losses. The inventory amounts are significant and the evaluation processes involve judgements, thus, we consider the inventory evaluation as a key audit matter.

How our audit addressed the matter

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

1. Obtained the policies of inventory valuation, evaluated its provision policies and ensured the application of policies in relating to inventory valuation in the period of financial statements.
2. Observed physical inventory count at the end of the period to identify whether there are obsolete, damaged or unsalable inventories.

3. Obtained ageing statements of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified with change records, checked the accuracy of classification range of inventory ages and assessed the effect on inventory value.
4. Obtained net realisable value statement of each kind of inventory and checked whether the calculation logic. Sampled and tested relevant data with the relevant documentations. In addition, recalculated the allowance for inventory valuation losses that the Group should provision by comparing the lower of costs and net realisable values individually.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and 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 subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$702,543 thousand and NT\$245,574 thousand, constituting 4.83% and 2.43% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and operating revenue amounted to NT\$604,948 thousand and NT\$322,344 thousand, constituting 4.09% and 2.86% of the consolidated total operating revenue for the years then ended, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Speed Tech Corp. as at and for the years ended December 31, 2020 and 2019.

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 supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

Huang, Shih-Chun

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 29, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the consolidated 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.

SPEED TECH CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			<u>December 31, 2020</u>		<u>December 31, 2019</u>	
<u>Assets</u>	<u>Notes</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,739,253	12	\$ 833,003	8
1110	Financial assets at fair value through profit or loss-current	6(2)	23,225	-	241,284	3
1136	Financial assets measured by amortized cost-current	6(1) and 8	80,605	1	29,181	-
1150	Notes receivable, net	6(3)	-	-	1,546	
1160	Notes receivable, net-related parties	6(3), 7(3) and 8	229,048	2	522,084	5
1170	Accounts receivable, net	6(3)	934,830	7	853,002	9
1180	Accounts receivable, net-related parties	6(3) and 7(3)	5,148,634	35	3,359,065	33
1200	Other receivables		22,183	-	26,812	-
1210	Other receivables - related parties	7(3)	41,733	-	139,811	1
1220	Current income tax assets	6(29)	57,466	-	1,255	-
130X	Inventories	6(5)	1,115,676	8	577,668	6
1410	Prepayments		130,116	1	31,218	-
1470	Other current assets		<u>768</u>	<u>-</u>	<u>1,589</u>	<u>-</u>
11XX	Total current assets		<u>9,523,537</u>	<u>66</u>	<u>6,617,518</u>	<u>65</u>
Non-current assets						
1550	Investments accounted for using equity method	6(6), 7(3) and 8	1,277,918	9	333,684	3
1600	Property, plant and equipment	6(7), 7(3) and 8	3,256,654	22	2,588,501	26
1755	Right-of-use asset	6(8)	12,893	-	18,641	-
1760	Investment property - net	6(10) and 8	86,599	-	100,937	1
1780	Intangible assets		197,721	1	209,617	2
1840	Deferred income tax assets	6(29)	88,077	1	103,581	1
1900	Other non-current assets	6(11) and 7(3)	<u>93,429</u>	<u>1</u>	<u>141,752</u>	<u>2</u>
15XX	Total non-current assets		<u>5,013,291</u>	<u>34</u>	<u>3,496,713</u>	<u>35</u>
1XXX	Total assets		<u>\$ 14,536,828</u>	<u>100</u>	<u>\$ 10,114,231</u>	<u>100</u>

(Continued)

SPEED TECH CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Liabilities and Equity</u>	<u>Notes</u>	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 2,311,422	16	\$1,522,921	15
2110	Short-term tickets payable		155,761	1	99,867	1
2130	Contract liabilities-current	6(22)	22,969	-	60	-
2150	Notes payable		18,726	-	20,263	-
2170	Accounts payable		3,173,937	22	2,890,006	29
2180	Accounts payable - related parties	7(3)	1,912,069	13	374,190	4
2200	Other payables	6(13)	782,807	6	625,669	6
2220	Other payables - related parties	7(3)	177,902	1	249,577	2
2230	Current income tax liabilities	6(29)	34,671	-	105,296	1
2250	Current provisions		2,529	-	-	-
2280	Lease liabilities-current	7(3)	3,057	-	5,652	-
2300	Other current liabilities	6(14) and 7(3)	<u>39,249</u>	<u>1</u>	<u>33,819</u>	<u>-</u>
21XX	Total current liabilities		<u>8,635,099</u>	<u>60</u>	<u>5,927,320</u>	<u>58</u>
	Non-current liabilities					
2540	Long-term borrowings	6(15)	220,000	1	250,000	3
2570	Deferred income tax liabilities	6(29)	373,699	3	217,417	2
2580	Lease liabilities-non-current		9,208	-	12,265	-
2600	Other non-current liabilities		<u>32,211</u>	<u>-</u>	<u>13,973</u>	<u>-</u>
25XX	Total non-current liabilities		<u>635,118</u>	<u>4</u>	<u>493,655</u>	<u>5</u>
2XXX	Total Liabilities		<u>9,270,217</u>	<u>64</u>	<u>6,420,975</u>	<u>63</u>
	Equity attributable to owners of parent					
	Share capital					
3110	Common shares	6(18)	1,693,550	12	1,696,450	17
	Capital surplus	6(19)				
3200	Capital surplus		200,563	-	206,483	1
	Retained earnings	6(20)				
3310	Legal reserve		85,175	1	48,402	1
3320	Special reserve		105,016	1	93,208	1
3350	Unappropriated retained earnings		1,170,280	8	560,171	6
	Other equity	6(21)				
3400	Other equity interest		<u>(142,005)</u>	<u>(1)</u>	<u>(199,806)</u>	<u>(2)</u>
31XX	Equity attributable to owners of the parent		<u>3,112,579</u>	<u>21</u>	<u>2,404,908</u>	<u>24</u>
36XX	Non-controlling interest		<u>1,288,348</u>	<u>15</u>	<u>1,288,348</u>	<u>13</u>
3XXX	Total equity interest		<u>4,400,927</u>	<u>36</u>	<u>3,693,256</u>	<u>37</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 13,671,144</u>	<u>100</u>	<u>\$ 10,114,231</u>	<u>100</u>

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

SPEED TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNT)

	<u>Items</u>	<u>Notes</u>	<u>Years ended December 31,</u>			
			<u>2020</u>		<u>2019</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue	6(22) and 7(3)	\$ 14,806,572	100	\$ 11,260,075	100
5000	Operating costs	6(5),(27) and 7(3)	<u>(11,545,368)</u>	<u>(78)</u>	<u>(9,357,558)</u>	<u>(83)</u>
5900	Gross profit		3,261,204	22	1,902,517	17
5910	Unrealized profit (loss) from sales		<u>(3,566)</u>	-	-	-
5950	Gross profit (loss) from operations		<u>3,257,638</u>	<u>22</u>	<u>1,902,517</u>	<u>17</u>
	Operating expenses	6(27) and 7(3)				
6100	Selling expenses		(144,057)	(1)	(108,990)	(1)
6200	General and administrative expenses		(267,823)	(2)	(145,161)	(1)
6300	Research and development expenses		(1,066,873)	(7)	(795,787)	(7)
6450	Expected credit impairment loss	12(2)	<u>(8,588)</u>	-	<u>(4,814)</u>	-
6000	Total operating expenses		<u>(1,487,341)</u>	<u>(10)</u>	<u>(1,054,752)</u>	<u>(9)</u>
6900	Operating profit		<u>1,770,297</u>	<u>12</u>	<u>847,765</u>	<u>8</u>
	Non-operating income and expenses					
7100	Interest income	6(23)	6,231	-	9,469	-
7010	Other income	6(24) and 7(3)	126,017	1	91,928	1
7020	Other gains and losses	6(25) and 7(3)	(192,179)	(1)	(136,492)	(1)
7050	Finance costs	6(26) and 7(3)	(34,390)	-	(39,098)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>93,959</u>	-	<u>96,193</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>(362)</u>	-	<u>22,000</u>	-
7900	Profit before income tax		1,769,935	12	869,765	8
7950	Income tax expense	6(29)	<u>(368,154)</u>	<u>(2)</u>	<u>(216,711)</u>	<u>(2)</u>
8200	Profit for the year		<u>\$ 1,401,781</u>	<u>10</u>	<u>\$ 653,054</u>	<u>6</u>

(Continued)

SPEED TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNT)

	Items	Notes	Years ended December 31			
			2020		2019	
			Amount	%	Amount	%
	Other comprehensive income (loss) , net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		1,019	-	1,325	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(21)	38,778	-	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(171)	-	(79)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(29)	(204)	-	(265)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>39,422</u>	-	<u>981</u>	-
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(21)	1,140	-	(43,979)	(1)
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(21)	(4,446)	-	(9,665)	-
8399	Income tax relating to components of other comprehensive income (loss) that may be reclassified to profit or loss	6(29)	<u>802</u>	-	<u>535</u>	-
8360	Total components of other comprehensive loss that may be reclassified to profit or loss		<u>(2,504)</u>	-	<u>(53,109)</u>	<u>(1)</u>
8300	Other comprehensive loss for the year, net		<u>\$ 36,918</u>	-	<u>(\$52,128)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 1,438,699</u>	<u>10</u>	<u>\$ 600,926</u>	<u>5</u>
	Profit, attributable to:					
8610	Owners of the parent		<u>\$ 703,975</u>	<u>5</u>	<u>\$ 366,750</u>	<u>3</u>
8620	Non-controlling interest		<u>\$ 697,806</u>	<u>5</u>	<u>\$ 286,304</u>	<u>3</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 738,841</u>	<u>5</u>	<u>\$ 355,922</u>	<u>3</u>
8720	Non-controlling interest		<u>\$ 699,858</u>	<u>5</u>	<u>\$ 245,004</u>	<u>2</u>
	Basic earnings per share					
9750	Total basic earnings per share	6(28)	<u>\$ 4.19</u>		<u>\$ 2.19</u>	
	Diluted earnings per share					
9850	Total diluted earnings per share	6(28)	<u>\$ 4.10</u>		<u>\$ 2.12</u>	

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

SPEED TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Common shares		Capital surplus	Equity attributable to owners of the parent				Exchange differences on translation of foreign financial statements	Other equity	Unearned compensation	Total	Non-controlling interest	Total equity
		Common shares	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Others	Legal reserve	Special reserve	Retained earnings		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Year 2019														
Balance at January 1, 2019		\$ 1,678,000	\$ 27,280	\$46,184	\$ 3,351	\$ 31,552	\$ 79,645	\$ 222,853	(\$ 93,208)	-	\$ -	\$ 1,995,657	\$ 768,632	\$ 2,764,289
Net income for 2019		-	-	-	-	-	-	366,750	-	-	-	366,750	286,304	653,054
Other comprehensive income (loss)	6(21)	-	-	-	-	-	-	981	(11,809)	-	-	(10,828)	(41,300)	(52,128)
Total comprehensive income (loss)		-	-	-	-	-	-	367,731	(11,809)	-	-	355,922	245,004	600,926
Appropriation and distribution of 2018 retained earnings	6(20)													
Legal reserve appropriated		-	-	-	-	16,850	-	(16,850)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(13,563)	-	-	-	-	-	-
Issuance of employee restricted stocks		18,450	-	-	110,972	-	-	-	-	-	(110,972)	18,450	-	18,450
Compensation cost of employee restricted stocks		-	-	-	-	-	-	-	-	-	16,183	16,183	-	16,183
Compensation cost of employee stock options	6(17)	-	-	-	18,696	-	-	-	-	-	-	18,696	33,281	51,977
Increase in non-controlling interests-capital increase of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	109,593	109,593
Increase in non-controlling interests-acquired from business combinations		-	-	-	-	-	-	-	-	-	-	-	131,838	131,838
Balance at December 31, 2019		\$ 1,696,450	\$ 27,280	\$ 46,184	\$133,019	\$ 48,402	\$ 93,208	\$560,171	(\$ 105,017)	\$ -	(\$ 94,789)	\$ 2,404,908	\$ 1,288,348	\$ 3,693,256
Year 2020														
Balance at January 1, 2020		\$ 1,696,450	\$ 27,280	\$ 46,184	\$133,019	\$ 48,402	\$ 93,208	\$560,171	(\$ 105,017)	-	(\$ 94,789)	\$ 2,404,908	\$ 1,288,348	\$ 3,693,256
Net income for 2020		-	-	-	-	-	-	703,975	-	-	-	703,975	697,806	1,401,781
Other comprehensive income (loss)	6(21)	-	-	-	-	-	-	730	(4,556)	-	38,692	34,866	2,052	36,918
Total comprehensive income (loss)		-	-	-	-	-	-	704,705	(4,556)	-	38,692	738,841	699,858	1,438,699
Appropriation and distribution of 2019 retained earnings	6(20)													
Legal reserve appropriated		-	-	-	-	36,773	-	(36,773)	-	-	-	-	-	-
Special reserve appropriated		-	-	-	-	-	11,808	(11,808)	-	-	-	-	-	-
Cash dividends of ordinary share		-	-	-	-	-	-	(84,793)	-	-	-	(84,793)	-	(84,793)
Retirement of employee restricted shares	6(18)	(2,900)	-	-	(17,443)	-	-	-	-	-	17,443	(2,900)	-	(2,900)
Employee restricted shares vested		-	28,059	-	(28,059)	-	-	-	-	-	-	-	-	-
Compensation cost of employee restricted stocks	6(17)	-	-	-	-	-	-	-	-	-	45,000	45,000	-	45,000
Compensation cost of employee stock options	6(17)	-	-	-	11,410	-	-	-	-	-	-	11,410	8,854	20,264
Recognition of capital surplus of associates in portion to the Group's ownership		-	-	-	113	-	-	-	-	-	-	113	-	113
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	-	-	38,778	-	(38,778)	-	-	-	-
Increase in non-controlling interests-capital increase of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	101,999	101,999
Increase in non-controlling interests-acquired from business combinations	6(31)	-	-	-	-	-	-	-	-	-	-	-	54,973	54,973
Balance at December 31, 2020		\$ 1,693,550	\$ 55,339	\$ 46,184	\$ 99,040	\$ 85,175	\$105,016	\$ 1,170,280	-\$ 109,573	-\$ 86	-\$ 32,346	\$ 3,112,579	\$ 2,154,032	\$ 5,266,611

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

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,769,935	\$ 869,765
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	8,588	4,814
Depreciation on property, plant and equipment	6(27)	433,417	379,542
Depreciation on investment property	6(25)	1,082	1,184
Depreciation charges on right-of-use assets	6(27)	5,695	6,753
Amortisation on intangible assets	6(27)	19,617	10,694
Interest expense	6(26)	34,390	39,098
Interest income	6(23)	(6,231)	(9,469)
Loss on disposal of property, plant and equipment	6(25)	80,024	38,955
Property, plant and equipment transferred to costs and expenses		144,580	29,060
Share of profit of associates accounted for using equity method	6(6)	(93,959)	(96,193)
Net gain on financial assets and liabilities at fair value through profit or loss	6(25)	(33,899)	(2,543)
Impairment loss on property, plant and equipment	6(25)	22,466	20,148
Share-based payments	6(17)	65,264	68,160
Gain from changes in lease payments	6(24)	(1,196)	-
Gain recognised in bargain purchase transaction		(2,206)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		251,958	(236,139)
Notes receivable, net		1,546	5,597
Notes receivable due from related parties, net		520,700	138,570
Accounts receivable		96,212	(79,783)
Accounts receivable due from related parties		(2,055,501)	(2,179,801)
Other receivables		4,629	(8,873)
Other receivables due from related parties		98,078	(118,347)
Inventories		(497,937)	(139,428)
Prepayments		(93,663)	34,165
Other current assets		821	1,353
Other non-current assets		(2,143)	7,528
Changes in operating liabilities			
Current contract liabilities		22,909	(264)
Notes payable		(1,537)	(6,644)
Accounts payable		241,305	1,566,299
Accounts payable to related parties		1,529,660	(39,815)
Other payables		275	200,318
Other payables to related parties		93,449	27,960
Provisions		(1,147)	-
Other current liabilities		3,242	(3,205)
Other non-current liabilities		-	426
Cash inflow generated from operations		2,660,423	529,885
Income taxes received		19,827	9,498
Income taxes paid		(342,685)	(103,044)
Interest received		6,231	9,469
Net cash provided by operating activities		<u>2,343,796</u>	<u>445,808</u>

(Continued)

SPEED TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>Years ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(6)	(\$ 488,758)	\$ -
Dividends received from investments accounted for using equity method	6(6) and 7(3)	37,735	37,735
Increase in financial assets at amortised cost-current		(51,424)	(222)
Acquisition of property, plant and equipment	6(31)	(1,294,593)	(918,846)
Proceed from disposal of property, plant and equipment		53,267	54,075
Acquisition of intangible assets		(6,089)	(422)
Increase in prepayments for business facilities		(31,024)	(75,419)
Decrease in refundable deposits		988	874
Net cash flow from acquisition of subsidiaries	6(33)	(361,472)	(91,358)
Net cash used in investing activities		<u>(2,141,370)</u>	<u>(993,583)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term notes and bills payable	6(32)	440,000	240,000
Decrease in short-term notes and bills payable	6(32)	(400,001)	(140,133)
Proceeds from short-term loans	6(32)	7,136,640	6,110,126
Repayments of short-term loans	6(32)	(6,428,139)	(5,454,637)
Proceeds from long-term loans	6(32)	-	280,000
Repayments of long-term loans	6(32)	(30,000)	(295,000)
Decrease in guarantee deposits received		-	(300)
Increase in other payables to related parties	6(32)	-	54,437
Decrease in other payables to related parties	6(32)	(941)	(38,710)
Repayments of principal portion of lease liabilities	6(32)	(4,434)	(6,558)
Cash dividends paid	6(32)	(84,793)	-
Redemption of proceeds from employee restricted shares	6(18)	(2,900)	-
Interest paid		(34,390)	(39,098)
Cash received from issuance of employee restricted stocks	6(18)	-	18,450
Increase in non-controlling interest-capital increase of subsidiaries		101,999	109,593
Net cash from financing activities		<u>693,041</u>	<u>838,170</u>
Effect of exchange rate		<u>10,783</u>	<u>10,877</u>
Net increase in cash and cash equivalents		906,250	301,272
Cash and cash equivalents at beginning of the year	6(1)	833,003	531,731
Cash and cash equivalents at end of the year	6(1)	<u>\$ 1,739,253</u>	<u>\$ 833,003</u>

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

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR 20000564

To the Board of Directors and Shareholders of Speed Tech Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Speed Tech Corp. (the “Company”) as at December 31, 2020 and 2019, 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(s) 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 the Company as at December 31, 2020 and 2019, 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 parent company only financial statements* section of our report. We are independent of the Company 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 audit reports of 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 Company's 2020 parent company only financial statements. 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.

For accounting policies on investments accounted for using equity method, please refer to Note 4(13); For details of investments accounted for using equity method, please refer to Note 6(5). The financial condition and financial performance of the subsidiaries held by the Company, either directly or indirectly, has significant influence over the parent company only financial statements of the Company. Thus, we consider the aforementioned balance of investments accounted for using equity method and recognition of investment gain or loss including existence of sales revenue and inventory valuation as key audit matters as follows:

Key audit matter - Existence of sales revenue

Description

Please refer to Note 4(27) for accounting policies on recognition of revenue, Note 6(21) for details of sales revenue.

Change in top ten customers of the Company is affected by releases of new products and business expansion. The new top ten customers might be material to the Company, and sales revenue has a high degree of risk in nature, thus, we consider the existence of sales revenue from new top ten customers 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:

7. Obtained an understanding on the internal controls over sales.
8. Obtained the evaluation data of new top ten customers and verified it against significant information.
9. Tested whether the credit terms of new top ten customers have been approved appropriately.
10. Obtained the sales details of new top ten customers and verified relevant vouchers.
11. Selected samples and performed confirmation of accounts receivable of new top ten customers.
12. Obtained the subsequent collections details of accounts receivable of new top ten customers and verified relevant vouchers.

Key audit matter –Evaluation on inventories

Description

Please refer to Note 4(12), for accounting policies on inventory evaluation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on inventory evaluation, and Note 6(4) for details of inventories.

The Company's revenue is primarily from processing and manufacturing as well as selling of electronic connectors. The inventory value changes arising from technical transformations, environmental changes and sales situations that affect the inventory valuation of the Company. The Company values the inventory net realisable values based on judgements, identifying net realisable values for each inventory, comparing the lower of costs and net realisable values and identifying the serviceability of obsolete inventories individually, then decides the allowance for inventory valuation losses. The inventory amounts are significant and the valuation processes involve judgements, thus, we consider the inventory valuation as a key audit matter.

How our audit addressed the matter

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

1. Obtained the policies of inventory valuation, evaluated its provision policies and ensured the application of policies in relating to inventory valuation in the period of financial statements.
2. Observed physical inventory count at the end of the period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained ageing statements of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified with change records, checked the accuracy of classification range of inventory ages and assessed the effect on inventory value.
4. Obtained net realisable value statement of each kind of inventory and checked whether the calculation logic. Sampled and tested relevant data with the relevant documentations. In addition, recalculated the allowance for inventory valuation losses that the Group should provision by comparing the lower of costs and net realisable values individually.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries (shown as investment accounted for using equity method) and 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 subsidiaries and 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\$396,151 thousand and NT\$126,267 thousand, constituting 6.05% and 2.65% of the parent company only total assets as at December 31, 2020 and 2019, respectively, and the comprehensive income recognised from investees accounted for under the equity method amounted to NT\$7,309 thousand and NT\$471 thousand, constituting 0.98% and 0.13% of the consolidated total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the 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 supervisors, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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:

7. 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.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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.

11. 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.

12. 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.

Huang, Shih-Chun

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 29, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the parent company only 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.

SPEED TECH CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Assets</u>	<u>Notes</u>	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets						
1100	Cash and cash equivalents	6(1)	\$433,924	7	\$497,064	11
1136	Financial assets measured by amortized cost-current	8	61,288	1	3,000	-
1170	Accounts receivable, net	6(2)	661,488	10	678,212	14
1180	Accounts receivable - related parties, net	6(2) and 7(3)	257,166	4	303,947	6
1200	Other receivables		6,774	-	9,210	-
1210	Other receivables - related parties	7(3)	15,936	-	12,167	-
130X	Inventories	6(4)	169,867	3	124,220	3
1410	Prepayments		2,664	-	2,507	-
1470	Other current assets		553	-	1,374	-
11XX	Total current assets		<u>1,609,660</u>	<u>25</u>	<u>1,631,701</u>	<u>34</u>
Non-current assets						
1550	Investments accounted for using equity method	6(5) and 7(3)	3,878,764	59	2,096,375	44
1600	Property, plant and equipment	6(6), 7(3) and 8	822,747	13	770,933	16
1755	Right-of-use asset	6(7)	11,853	-	14,697	1
1760	Investment property - net	6(9) and 8	86,599	1	100,937	2
1780	Intangible assets		1,405	-	1,470	-
1840	Deferred income tax assets	6(28)	78,659	1	96,083	2
1900	Other non-current assets	6(10)(15)	54,918	1	58,064	1
15XX	Total non-current assets		<u>4,934,945</u>	<u>75</u>	<u>3,138,559</u>	<u>66</u>
1XXX	Total assets		<u>\$ 6,544,605</u>	<u>100</u>	<u>\$ 4,770,260</u>	<u>100</u>

(Continued)

SPEED TECH CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Liabilities and Equity</u>	<u>Notes</u>	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Current liabilities					
2100	Short-term loans	6(11)	\$ 1,803,352	28	\$ 1,000,838	21
2110	Short-term tickets payable		139,866	2	99,867	2
2130	Contract liabilities-current	6(21)	2,171	-	57	-
2170	Accounts payable		260,821	4	233,149	5
2180	Accounts payable - related parties	7(3)	441,397	7	394,562	8
2200	Other payables	6(12)	170,810	3	122,532	3
2220	Other payables-related parties	7(3)	-	-	31,639	1
2230	Current income tax liabilities	6(28)	10,458	-	1,969	-
2280	Lease liabilities-current		2,820	-	2,778	-
2300	Other current liabilities	6(13) and 7(3)	33,904	-	34,846	1
21XX	Total current liabilities		<u>2,865,599</u>	<u>44</u>	<u>1,922,237</u>	<u>41</u>
	Non-current liabilities					
2540	Long-term loans	6(14)	220,000	3	250,000	5
2570	Deferred income tax liabilities	6(28)	337,219	5	181,088	4
2580	Lease liabilities-non-current		9,208	-	12,027	-
25XX	Total non-current liabilities		<u>566,427</u>	<u>8</u>	<u>443,115</u>	<u>9</u>
2XXX	Total Liabilities		<u>3,432,026</u>	<u>52</u>	<u>2,365,352</u>	<u>50</u>
	Equity					
	Share capital	6(17)				
3110	Common shares		1,693,550	26	1,696,450	35
	Capital surplus	6(18)				
3200	Capital surplus		200,563	3	206,483	4
	Retained earnings	6(19)				
3310	Legal reserve		85,175	1	48,402	1
3320	Special reserve		105,016	2	93,208	2
3350	Unappropriated retained earnings		1,170,280	18	560,171	12
	Other equity interest					
3400	Other equity interest	6(20)	(142,005)	(2)	(199,806)	(4)
3XXX	Total equity interest		<u>3,112,579</u>	<u>48</u>	<u>2,404,908</u>	<u>50</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 6,544,605</u>	<u>100</u>	<u>\$ 4,770,260</u>	<u>100</u>

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

SPEED TECH CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNT)

		Years ended December 31,			
		<u>2020</u>		<u>2019</u>	
<u>Items</u>	<u>Notes</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue	6(21) and 7(3) \$ 2,636,271	100	\$ 2,419,748	100
5000	Operating costs	6(4)(26) and 7(3) (2,290,015)	(87)	(2,172,308)	(90)
5900	Gross profit	346,256	13	247,440	10
5910	Unrealized profit (loss) from sales	(14,465)	(1)	-	-
5950	Net gross profit	<u>331,791</u>	<u>12</u>	<u>247,440</u>	<u>10</u>
	Operating expenses	6(26) and 7(3)			
6100	Selling expenses	(55,991)	(2)	(72,237)	(3)
6200	General and administrative expenses	(138,708)	(5)	(55,127)	(2)
6300	Research and development expenses	(71,345)	(3)	(93,572)	(4)
6000	Total operating expenses	<u>(266,044)</u>	<u>(10)</u>	<u>(220,936)</u>	<u>(9)</u>
6900	Operating loss	<u>65,747</u>	<u>2</u>	<u>26,504</u>	<u>1</u>
	Non-operating income and expenses				
7100	Interest income	6(22) 2,221	-	1,300	-
7010	Other income	6(23) and 7(3) 28,560	1	33,807	2
7020	Other gains and losses	6(24) and 7(3) (35,028)	(1)	(38,789)	(2)
7050	Finance costs	6(25) (20,246)	(1)	(22,187)	(1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5) <u>858,400</u>	<u>33</u>	<u>403,091</u>	<u>17</u>
7000	Total non-operating income and expenses	<u>833,907</u>	<u>32</u>	<u>377,222</u>	<u>16</u>
7900	Profit before income tax	899,654	34	403,726	17
7950	Income tax expense	6(28) (195,679)	(7)	(36,976)	(2)
8200	Profit for the year	<u>\$ 703,975</u>	<u>27</u>	<u>\$ 366,750</u>	<u>15</u>

(Continued)

SPEED TECH CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNT)

	<u>Items</u>	<u>Notes</u>	<u>Years ended December 31,</u>			
			<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
	Other comprehensive income (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 1,019	-	\$ 1,325	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(20)	38,778	1	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(171)	-	(79)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(28)	(204)	-	(265)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>39,422</u>	<u>1</u>	<u>981</u>	<u>-</u>
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(20)	(912)	-	(2,679)	-
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss		(4,446)	-	(9,665)	-
8399	Income tax relating to components of other comprehensive income (loss) that may be reclassified to profit or loss	6(28)	<u>802</u>	<u>-</u>	<u>535</u>	<u>-</u>
8360	Components of other comprehensive loss that may be reclassified to profit or loss		<u>(4,556)</u>	<u>-</u>	<u>(11,809)</u>	<u>-</u>
8300	Other comprehensive loss, net		<u>\$ 34,866</u>	<u>1</u>	<u>(\$ 10,828)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 738,841</u>	<u>28</u>	<u>\$ 355,922</u>	<u>15</u>
	Basic earnings per share					
9750	Total basic earnings per share	6(29)	<u>\$ 4.19</u>		<u>\$ 2.19</u>	
	Diluted earnings per share					
9850	Total diluted earnings per share	6(29)	<u>\$ 4.10</u>		<u>\$ 2.12</u>	

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

SPEED TECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Capital surplus			Retained earnings			Exchange differences on translation of foreign financial statements	Other equity Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity	
		Common shares	Share premium	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Others	Legal reserve	Special reserve					Unappropriated retained earnings
Year 2019												
Balance at January 1, 2019		\$ 1,678,000	\$ 27,280	\$ 46,184	\$ 3,351	\$ 31,552	\$ 79,645	\$ 222,853	(\$ 93,208)	\$ -	\$ -	\$ 1,995,657
Net income for 2019		-	-	-	-	-	-	366,750	-	-	-	366,750
Other comprehensive income (loss) for 2019	6(20)	-	-	-	-	-	-	981	(11,809)	-	-	(10,828)
Total comprehensive income (loss) for 2019		-	-	-	-	-	-	367,731	(11,809)	-	-	355,922
Appropriation and distribution of 2018 retained earnings	6(19)											
Legal reserve appropriated		-	-	-	-	16,850	-	(16,850)	-	-	-	-
Special reserve appropriated		-	-	-	-	-	13,563	(13,563)	-	-	-	-
Issuance of employee restricted stocks	6(17)	18,450	-	-	110,972	-	-	-	-	-	(110,972)	18,450
Compensation cost of employee restricted stocks	6(16)	-	-	-	-	-	-	-	-	-	16,183	16,183
Compensation cost of employee stock options	6(16)	-	-	-	18,696	-	-	-	-	-	-	18,696
Balance at December 31, 2019		\$ 1,696,450	\$ 27,280	\$ 46,184	\$ 133,019	\$ 48,402	\$ 93,208	\$ 560,171	(\$ 105,017)	-	(\$ 94,789)	\$ 2,404,908
Year 2020												
Balance at January 1, 2020		\$ 1,696,450	\$ 27,280	\$ 46,184	\$ 133,019	\$ 48,402	\$ 93,208	\$ 560,171	(\$ 105,017)	\$ -	-\$ 94,789	\$ 2,404,908
Net income for 2020		-	-	-	-	-	-	703,975	-	-	-	703,975
Other comprehensive income (loss) for 2020	6(20)	-	-	-	-	-	-	730	(4,556)	38,692	-	34,866
Total comprehensive income (loss) for 2020		-	-	-	-	-	-	704,705	(4,556)	38,692	-	738,841
Appropriation and distribution of 2019 retained earnings	6(19)											
Legal reserve appropriated		-	-	-	-	36,773	-	(36,773)	-	-	-	-
Special reserve appropriated		-	-	-	-	-	11,808	(11,808)	-	-	-	-
Cash dividends of ordinary share		-	-	-	-	-	-	(84,793)	-	-	-	(84,793)
Retirement of employee restricted shares	6(17)	(2,900)	-	-	(17,443)	-	-	-	-	-	17,443	(2,900)
Employee restricted shares vested		-	28,059	-	(28,059)	-	-	-	-	-	-	-
Compensation cost of employee restricted stocks	6(16)	-	-	-	-	-	-	-	-	-	45,000	45,000
Compensation cost of employee stock options	6(16)	-	-	-	11,410	-	-	-	-	-	-	11,410
Recognition of capital surplus of associates in portion to the Company's ownership		-	-	-	113	-	-	-	-	-	-	113
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(5)	-	-	-	-	-	38,778	-	-	(38,778)	-	-
Balance at December 31, 2020		\$ 1,693,550	\$ 55,339	\$ 46,184	\$ 99,040	\$ 85,175	\$ 143,794	\$ 1,131,502	-\$ 109,573	-\$ 86	-\$ 32,346	\$ 3,112,579

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

SPEED TECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>Years ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 899,654	\$ 403,726
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation on property, plant and equipment	6(26)	87,593	105,564
Depreciation on investment property	6(24)	1,082	1,184
Depreciation charges on right-of-use assets	6(26)	2,844	2,845
Amortisation on intangible assets	6(26)	772	1,118
Interest expense	6(25)	20,246	22,187
Interest income	6(22) (	2,221)	(1,300)
Share-based payments	6(16)	45,000	16,183
Loss (gain) on disposal of property, plant and equipment	6(24) (	440)	780
Property, plant and equipment transferred to costs and expenses		2,148	29,060
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5) (	858,400)	(403,091)
Impairment loss on property, plant and equipment	6(24)	4,527	20,080
Unrealised (realised) gain between affiliated company		14,465	-
Gain recognised in bargain purchase transaction	6(23) (	2,206)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		16,724	(84,387)
Accounts receivable due from related parties, net		16,754	(206,791)
Other receivables		2,436	(2,338)
Other receivables due from related parties	(	3,769)	16,212
Inventories	(	45,647)	(18,659)
Prepayments	(	157)	223
Other current assets		821	1,379
Other non-current assets		2,008	2,689
Changes in operating liabilities			
Current contract liabilities		2,114	(257)
Notes payable		-	(362)
Accounts payable		27,672	134,013
Accounts payable to related parties		46,835	1,915
Other payables		35,021	11,294
Other payables to related parties	(	28)	28
Other current liabilities	(	942)	(2,387)
Cash inflow generated from operations		314,906	50,908
Income taxes paid	(	13,037)	(6,361)
Interest received		2,221	1,300
Net cash provided by operating activities		<u>304,090</u>	<u>45,847</u>

(Continued)

SPEED TECH CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>Years ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method		(\$ 889,175)	(\$ 237,655)
Dividends received from investments accounted for using equity method	7(3)	103,858	114,652
Increase in financial assets at amortised cost - current		(58,288)	-
Acquisition of property, plant and equipment	6(30)	(93,236)	(70,438)
Proceed from disposal of property, plant and equipment		10,723	11,287
Acquisition of intangible assets		(707)	(422)
Increase in prepayments for business facilities		(3,665)	(5,024)
Increase in refundable deposits		(621)	-
Proceeds from capital reduction of subsidiaries		-	67,350
Net cash used in investing activities		<u>(931,111)</u>	<u>(120,250)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term notes and bills payable	6(31)	440,000	240,000
Decrease in short-term notes and bills payable	6(31)	(400,001)	(140,133)
Proceeds from short-term loans	6(31)	6,304,565	5,559,334
Repayments of short-term loan	6(31)	(5,502,051)	(5,272,283)
Proceeds of long-term loans	6(31)	-	280,000
Repayments of long-term loans	6(31)	(30,000)	(295,000)
Decrease in guarantee deposits received		-	(300)
Increase in other payables to related parties	6(31)	-	31,611
Decrease in other payables to related parties	6(31)	(31,611)	-
Repayments of principal portion of lease liabilities	6(31)	(2,777)	(2,737)
Cash dividends paid	6(31)	(84,793)	-
Interest paid		(20,392)	(22,187)
Cash received from issuance of employee restricted stocks	6(17)	-	18,450
Redemption of proceeds from employee restricted shares	6(17)	(2,900)	-
Increase in capital increase of subsidiaries accounted for using equity method		<u>(106,159)</u>	<u>-</u>
Net cash provided by financing activities		<u>563,881</u>	<u>396,755</u>
Net (decrease) increase in cash and cash equivalents		(63,140)	322,352
Cash and cash equivalents at beginning of the year	6(1)	<u>497,064</u>	<u>174,712</u>
Cash and cash equivalents at end of the year	6(1)	<u>\$ 433,924</u>	<u>\$ 497,064</u>

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

Attachment IV

SPEED TECH CORP.

2020 Annual Earnings Distribution Table

		Unit: NT \$
Items		Amount
Beginning retained earnings	\$	426,797,048
Plus: actuarial gains and losses to changes in the current period and adjustments to other retained earnings		39,508,415
Plus: net income after tax this year		703,974,944
Less: 10% of legal reserve		(74,348,336)
Less: special reserves		(4,642,683)
Distributable net profit		1,091,289,388
Distributable items:		
Shareholders' dividends-Cash (temporarily set as NT\$ 2.1 per share)		355,623,450
Unappropriated retain earnings	\$	735,665,938

Chairman: TSAI, CHEN-LUNG Manager: TSAI, CHEN-LUNG Director of Accounting : CHUANG, YUEN-TUNG

Attachment V

SPEED TECH CORP.

The Assessment Report on Cancellation of The Pre - and Post Amendment to The Cash Capital Increase and Issuance of Common Shares, Expected Implementation Progress, And the Expected Benefits

Items	Original Plan		Plan After Change	
Volume	Cash issuance for capital increase Issue new shares	The second domestic plan of convertible bonds without guarantee	Cash issuance for capital increase Issue new shares	The second domestic plan of convertible bonds without guarantee
Amount Raised	NT\$1 billion	NT\$1 billion	Abolished	NT\$1 billion
	Total NT\$2 billion		Total NT\$1 billion	
Use of Funds	Repayment of bank borrowings and replenishment of operating capital		Repayment of bank borrowings and replenishment of operating capital	
Approval Status	Letter Jing-Shou-Shang No. 1090379657 dated 14 January 2021	Letter Jing-Shou-Shang No. 10903796571 dated 14 January 2021		
Status of Changed Plan	Approved by the board of directors on 29 March 2020, the "cash capital increase and issuance of ordinary shares" was canceled.			
Reasons for Plan Change	Considering the changes in the domestic capital market conditions, if the price is determined promptly, the issuing conditions may not be ideal, which may damage the shareholders' rights and interests. The Company intends to apply for cancellation of the cash capital increase and issuance of common shares.			
Benefit Difference Before and After Change	Unit: NT\$ thousand			
		Lending Institutions	Amount to Be Repaid Before Change	Amount to Be Repaid After Change
	CTBC Bank		28,729	28,729
			54,002	54,002
			27,215	27,215
	Entie Commercial Bank		100,000	100,000
		100,000	-	

		Cathay United Bank	180,000	180,000
		Bank SinoPac	50,000	-
			70,000	-
		Yuanta Commercial Bank	100,000	-
		KGI Commercial Bank	80,000	80,000
			8,585	8,585
		Hua Nan Bank	80,000	80,000
		DBS Bank	45,000	45,000
			20,000	20,000
		Bank Of Panshin	50,000	50,000
		E.SUN Bank	50,000	50,000
		JHHSUN Bank	50,000	50,000
		Land Bank of Taiwan	40,000	40,000
		Mega International Commercial Bank	62,897	62,897
			37,187	37,187
		The Shanghai Commercial & Savings Bank	13,415	13,415
			12,970	-
		Total	1,260,000	927,030
	<p>According to the original plan, the interest expenses are estimated to be reduced by approximately NT\$10,547 thousand in 2020, and the interest expenses will be saved by NT\$16,162 thousand per year. After changing the plan, it is estimated that the interest expenses will be reduced by approximately NT\$7,653 thousand in 2020. Then the interest expenses will be saved by NT\$10,203 thousand per year.</p>			
Feasibility of Plan Change	<p>Considering the changes in the domestic capital market conditions, if the price is determined promptly, the issuing conditions may not be ideal, which may damage the shareholders' rights and interests. The Company intends to apply for cancellation of the cash capital increase and issuance of common share. In addition, the Company completed the fund raising of second domestic unsecured convertible bonds project on 10 March 2020. The bank loans and operating capital were repaid according to the original plan.</p>			

SPEED TECH CORP.

**2020 Issuance of New Shares Through Cash Capital
Increase and the Second Domestic Unsecured
Switching Company Bonds**

Evaluation Opinion of Lead Underwriters

Lead Underwriters: Taishin Securities Co., Ltd.

March 29, 2021

Schedule I

Schedule of Evaluation Basis of Lead Underwriters Before and After the Change of Cash Capital Increase Plan

Expected board of directors' approval date: 2021/03/29

Year of change and type of issue: 2020 Issuance of new shares through cash capital increase and the second domestic unsecured switching company bonds

Number of changes: First time

Items		Assessment Description
Reasons for change	Rationality	To enhance its capital and improve the financial structure, the Company proposed the issuance plan of cash capital increase by issuing new shares and the second domestic unsecured Switching Company bonds. The program is set at the 8th meeting of the 13th session of the director board on 13 November 2020. It raises a total of NT\$2,000,000 thousand to repay the bank loans of NT\$1,260 thousand and enrich the operating capital of NT\$740,000 thousand. After the case was approved by Letter Jing-Shou-Shang No. 10301007720 dated 14 January 2021, the development of the Company's share price according to the pricing plan's schedule is observed to complete the fund-raising before 14 April 2020 successfully. However, the Covid-19 has continued to affect the political and economic situation at home and abroad. Considering the changes in the domestic capital market conditions, if the price is determined promptly, the issuing conditions may not be ideal, which may damage the shareholders' rights and interests. The Company intends to apply for cancellation of the cash capital increase and issuance of common shares. In summary, the company's application to cancel the cash capital increase and issuance of ordinary shares is still reasonable.
	Necessity	Covid-19 has continued to affect the political and economic situation at home and abroad. The Company considers the changes in the domestic capital market conditions; if the price is determined promptly, the issuing conditions may not be ideal, damaging the shareholders' rights and interests. The Company must apply for cancellation of the cash capital increase and issuance of common shares.
	Objective Factors	Affected by the new outbreak of COVID-19, the Directorate-General of Budget and Accounting and Statistics of the Executive Yuan revised the economic growth rate of Taiwan this year from 5.09% to 4.64%, down by 0.45%.
Plan After Change	Feasibility	The Company's second domestic unsecured switching company bond plan was completed on 10 March 2021, and bank borrowings and operating capital were repaid according to the original plan. In addition, a resolution of the board of directors will be convened on 29 March 2021 to apply for the cancellation of the cash capital increase and issuance of ordinary shares. The change of capital plan shall be feasible.

	Estimated Progress	A resolution of the board of directors will be convened on 29 March 2021 to apply for the cancellation of the cash capital increase issuance of ordinary shares and apply to the Securities and Futures Bureau to cancel the cash capital increase issuance of common shares.		
Plan After Change	Reasonableness of Estimated Possible Benefits	Unit: NT\$ thousand		
		Lending Institutions	Amount to Be Repaid Before Change	Amount to Be Repaid After Change
		CTBC Bank	28,729	28,729
			54,002	54,002
			27,215	27,215
		Entie Commercial Bank	100,000	100,000
			100,000	-
		Cathay United Bank	180,000	180,000
		Bank SinoPac	50,000	-
			70,000	-
		Yuanta Commercial Bank	100,000	-
		KGI Commercial Bank	80,000	80,000
			8,585	8,585
		Hua Nan Bank	80,000	80,000
		DBS Bank	45,000	45,000
			20,000	20,000
		Bank Of Panshin	50,000	50,000
		E.SUN Bank	50,000	50,000
		JIHSUN Bank	50,000	50,000
		Land Bank of Taiwan	40,000	40,000
Mega International Commercial Bank	62,897	62,897		
	37,187	37,187		
The Shanghai Commercial Savings Bank	13,415	13,415		
	12,970	-		
Total	1,260,000	927,030		
	Reasonableness of Estimated Possible Benefits	According to the original plan, the interest expenses are estimated to be reduced by approximately NT\$10,547 thousand in 2020, and the interest expenses will be saved by NT\$16,162 thousand per year. After changing the plan, it is estimated that the interest expenses will be reduced by approximately NT\$7,653 thousand in 2020. Then the interest expenses will be saved by NT\$10,203 thousand per year.		

	Effect of the Change on Shareholders' Equity	The company expects to reduce the total amount of the fundraising plan to NT\$1 billion this time, taking into account the domestic capital market environment. The issue conditions are not ideal due to the hasty pricing, which may damage the shareholders' equity and, therefore, benefit the shareholders' equity.
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Attachment VI

SPEED TECH CORP.

**Comparison Table for The Amendments of Article of Incorporation
Before and After Revision**

Article	Content		Basis and Reasons for Revision
	Before Amendments	After Amendments	
13	The Company has 7 to 9 directors and 3 supervisors, whom the shareholders' meeting shall elect from among those who can act for a term of 3 years. During office, the Company shall be legally liable to purchase liability insurance for its business scope. The total shareholding ratio of all directors and supervisors shall be following the regulations of the competent securities authority.	The Company has 7 to 9 directors and 3 supervisors. The Company adopts the candidate nomination system. The board of shareholders elects those from among those who can act for a term of 3 years. During office, the Company shall be legally liable to purchase liability insurance for its business scope. The total shareholding ratio of all directors and supervisors shall be following the regulations of the competent securities authority.	In line with the amendment of laws and regulations, the candidate nomination system will be adopted.
13-1	In line with Article 14-2 of the Securities and Exchange Law, the number of independent directors in the above number of directors shall not be less than two and shall not be less than one-fifth of the number of directors. The nomination system shall be adopted, and the shareholders' meeting shall select the candidates from the list of independent directors. The professional qualifications, shareholdings, part-time restrictions, nomination and election methods of independent directors, and other matters to be observed shall be in accordance with the regulations of the competent securities authority.	In line with Article 14-2 of the Securities and Exchange Law, the number of independent directors in the above number of directors shall not be less than two and shall not be less than one-fifth of the number of directors. The nomination system shall be adopted, and the shareholders' meeting shall select the candidates from the list of independent directors. The professional qualifications, shareholdings, part-time restrictions, nomination and election methods of independent directors, and other matters to be observed shall be in accordance with the regulations of the competent securities authority.	Text Revision.
19	To motivate the employees and the team, the Company shall allocate not less than 3% of the employees' remuneration and not more than 3% of the directors' and supervisors' remuneration after making up for the losses based on the profit before tax for the current year after deducting the profit before distribution of employees' remuneration and directors' and supervisors' remuneration.	To motivate the employees and the team, the Company shall allocate 1-5% of the employees' remuneration and not more than 3% of the directors' and supervisors' remuneration after making up for the losses based on the profit before tax for the current year after deducting the profit before distribution of employees' remuneration and directors' and supervisors' remuneration.	In line with the revision of the operation plan.

22	<p>This constitution was made on 4 October 1930, and the first amendment was made on 19 October 1991.</p> <p>The twenty-third amendment was made on 26 June 2019.</p>	<p>This constitution was made on 4 October 1930, and the first amendment was made on 19 October 1991.</p> <p>The twenty-third amendment was made on 26 June 2019. <u>The twenty-fourth amendment was made on 28 June 2021.</u></p>	<p>Add the numbers and date of amendments.</p>
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Attachment VII

SPEED TECH CORP.

Comparison table of the Guideline for Loaning Funds to Others and the Guideline for Endorsement and Guaranty Before Amendments

Article	Content		Basis and Reasons for Revision
	Before Amendments	After Amendments	
3	<p>According to Article 15 of the Company Law, unless otherwise under any of the following circumstances, the capital of a company shall not be lent to any shareholder of the company or any other person:</p> <p>1. Where an inter-company or inter-firm business transaction calls for such lending arrangement; or</p> <p>2. Where an inter-company or inter-firm short-term financing facility is necessary provided that the amount of such financing facility shall not exceed forty percent of the amount of the net value of the lending enterprise.</p> <p>The term "short-term," referred to in the preceding paragraph, means one year. However, if the Company's business cycle is longer than one year, the business cycle shall prevail. The term "financing amount," referred to in the second paragraph, means the accumulated balance of the Company's short-term financing funds.</p> <p>The Company, directly and indirectly, holds foreign companies with 100% voting shares to engage in capital lending, which is not subject to the Subparagraph 2 of Paragraph 1. <u>However, it shall still set the limit and term for the loan of funds under the provisions of Article 14.</u></p>	<p>According to Article 15 of the Company Law, unless otherwise under any of the following circumstances, the capital of a company shall not be lent to any shareholder of the company or any other person:</p> <p>1. Where an inter-company or inter-firm business transaction calls for such lending arrangement; or</p> <p>2. Where an inter-company or inter-firm short-term financing facility is necessary provided that the amount of such financing facility shall not exceed forty percent of the amount of the net value of the lending enterprise.</p> <p>The term "short-term," referred to in the preceding paragraph, means one year. However, if the Company's business cycle is longer than one year, the business cycle shall prevail. The term "financing amount," referred to in the second paragraph, means the accumulated balance of the Company's short-term financing funds.</p> <p>The Company, directly and indirectly, holds foreign companies with 100% voting shares to engage in capital lending or <u>fund loan to the company</u>, which is not subject to the Subparagraph 2 of Paragraph 1.</p> <p><u>The responsible person of a company who has violated the provisions of the preceding Paragraph shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if</u></p>	<p>The Company follows Article 3 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Regulatory Commission (No. 1,080,304,826) and Article 15-2 of the Company Law. Thus, the restriction (which an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth) shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. And add that the responsible person of the Company shall be jointly and severally liable for return and compensation for damages when the Company's short-term financing exceeds the prescribed limit.</p>

		<u>any, to company resulted there-from.</u>	
7	<p>The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the regulatory authority.</p> <p>"Date of occurrence" refers to the date of signing a <u>trading</u> transaction, the date of payment, the date of the resolution of the director board, or other dates on which the trading partner and the <u>transaction</u> amount are entirely determined.</p>	<p>The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the regulatory authority.</p> <p>"Date of occurrence" refers to the date of signing a transaction, the date of payment, the date of the resolution of the director board, or other dates on which the <u>object of loan of funds or endorsement and guaranty</u> and the amount are entirely determined.</p>	<p>The Company follows Article 7 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Regulatory Commission (No. 1,080,304,826). Thus, text revision is made.</p>
10	<p>Loans of Funds Operation 1. Procedure of loaning of funds</p> <p>(A) After being reviewed by the Company's competent authority, submitted to the chairman and the board of directors for approval, the loan of funds or short-term financing can be handled.</p> <p>(B) Any loan of funds between the Company and the parent company, its subsidiaries or associated enterprises, or its subsidiaries shall be approved by the board of directors following the provisions of the preceding paragraph. It is also subject to a certain amount authorized by the chairman and the board of directors and is allocated or recycled in installments within one year.</p> <p>(C) The "certain amount" referred to in (B) means that except for the foreign companies in which the Company, directly and indirectly, holds one hundred percent of the voting shares, the authorized amount of funds lending of the Company or its subsidiaries to a single enterprise shall not exceed 10% of the net value of the latest financial statements of the Company.</p> <p>(D) The monetary unit shall establish a reference book for</p>	<p>Loans of Funds Operation 1. Procedure of loaning of funds</p> <p>(A) After being reviewed by the Company's competent authority, submitted to the chairman and the board of directors for approval, the loan of funds or short-term financing can be handled.</p> <p>(B) Any loan of funds between the Company and the parent company, its subsidiaries or associated enterprises, or its subsidiaries shall be approved by the board of directors following the provisions of the preceding paragraph. It is also subject to a certain amount authorized by the chairman and the board of directors and is allocated or recycled in installments within one year.</p> <p>(C) The "certain amount" referred to in (2) means that except for the foreign companies in which the Company, directly and indirectly, holds one hundred percent of the voting shares, the authorized amount of funds lending of the Company or its subsidiaries to a single enterprise shall not exceed 10% of the net value of the latest financial statements of the Company.</p> <p>(D) The monetary unit shall establish a reference book for</p>	<p>To strengthen governance, the provisions in paragraph 1, subparagraph 5 and 7 on supervisors are amended, which apply to independent directors and the audit committee.</p>

	<p>capital loans and events. After the resolution of the director board on the fund loans is passed, the details of the loan object, amount, date of approval by the director board, disbursement date, and matters that are carefully assessed in accordance with the review procedures shall be published for future reference.</p> <p>(E) The internal auditors shall audit the operating procedures and implementation of the fund lending quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately.</p> <p>(F) The monetary unit shall prepare a detailed list of monthly fund loans and events that occurred and canceled, control the tracking and handle the announcement report, and evaluate and provide an adequate allowance for bad debts quarterly. And its units shall disclose capital loans and information and provide relevant details of the certified public accountant in the financial report.</p> <p>(G) If the loan object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule.</p>	<p>capital loans and events. After the resolution of the director board on the fund loans is passed, the details of the "oan object, amount, date of approval by the director board, disbursement date, and matters that are carefully assessed in accordance with the review procedures shall be published for future reference.</p> <p>(E) The internal auditors shall audit the operating procedures and implementation of the fund lending quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately. <u>After the establishment of independent directors and audit committees, the requirements for supervisors shall also apply.</u></p> <p>(F) The monetary unit shall prepare a detailed list of monthly fund loans and events that occurred and canceled, control the tracking and handle the announcement report, and evaluate and provide an adequate allowance for bad debts quarterly. And its units shall disclose capital loans and information and provide relevant details of the certified public accountant in the financial report.</p> <p>(G) If the loan object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule. <u>After the establishment of independent directors and audit committees, the requirements for supervisors shall also apply.</u></p>	
16	<p>Procedures for handling endorsement/guarantee</p> <p>1. When handling endorsement</p>	<p>Procedures for handling endorsement/guarantee</p> <p>1. When handling endorsement</p>	<p>To strengthen governance, the provisions in paragraph 1, subparagraph 5 and 7 on</p>

<p>and guarantee, the financial unit shall follow the endorsers' application and check whether the endorser's qualification and quota meet the requirements of the operation procedures and whether there is an event that has reached the reporting standards for the announcement. Together with the review and evaluation results of Article 17 from the measures, the monetary unit shall sign for the chairman's approval and submit the same to the director board for discussion and approval.</p>	<p>and guarantee, the financial unit shall follow the endorsers' application and check whether the endorser's qualification and quota meet the requirements of the operation procedures and whether there is an event that has reached the reporting standards for the announcement. Together with the review and evaluation results of Article 17 from the measures, the monetary unit shall sign for the chairman's approval and submit the same to the director board for discussion and approval.</p>	<p>supervisors are amended, which apply to independent directors and the audit committee.</p>
<p>2. The monetary unit shall establish a reference book for endorsement and guarantee matters. After the director board or the chairman approves the endorsement/guarantee, in addition to the application for seal following the prescribed procedures, the details of endorsement and guarantee object, amount, date of approval by the director board or decision by the chairman, date of endorsement and guarantee, and matters that are carefully assessed under the Article 17 from the measures shall be published for future reference. Relevant documents such as bills and agreements shall also be photocopied and properly kept.</p> <p>3. The internal auditors shall audit the operating procedures and implementation of the endorsement and guarantee quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately.</p> <p>4. The monetary unit shall prepare a detailed list of monthly endorsement and guarantee events that occurred and canceled, control the tracking</p>	<p>2. The monetary unit shall establish a reference book for endorsement and guarantee matters. After the director board or the chairman approves the endorsement/guarantee, in addition to the application for seal following the prescribed procedures, the details of endorsement and guarantee object, amount, date of approval by the director board or decision by the chairman, date of endorsement and guarantee, and matters that are carefully assessed under the Article 17 from the measures shall be published for future reference. Relevant documents such as bills and agreements shall also be photocopied and properly kept.</p> <p>3. The internal auditors shall audit the operating procedures and implementation of the endorsement and guarantee quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately. <u>After the establishment of independent directors and audit committees, the requirements for supervisors shall also apply.</u></p> <p>4. The monetary unit shall prepare a detailed list of monthly</p>	

	<p>and handle the announcement report, and evaluate and provide a recognition of contingent loss of endorsement quarterly. And its units shall disclose endorsement and guarantee information and provide relevant details of the certified public accountant in the financial report.</p> <p>5. If the endorsement and guarantee object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule.</p> <p>6. Before the due date of endorsement and guarantee, the monetary unit shall, on its initiative, notify the guaranteed enterprises to recover the secured notes retained in banks or credit institutions and cancel the relevant deeds of endorsement and guarantee.</p>	<p>endorsement and guarantee events that occurred and canceled, control the tracking and handle the announcement report, and evaluate and provide a recognition of contingent loss of endorsement quarterly. And its units shall disclose endorsement and guarantee information and provide relevant details of the certified public accountant in the financial report.</p> <p>5. If the endorsement and guarantee object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule. <u>After the establishment of independent directors and audit committees, the requirements for supervisors shall also apply.</u></p> <p>6. Before the due date of endorsement and guarantee, the monetary unit shall, on its initiative, notify the guaranteed enterprises to recover the secured notes retained in banks or credit institutions and cancel the relevant deeds of endorsement and guarantee.</p>	
21	<p>Announcement and Reporting Procedures</p> <p>1. Before the 10th day of each month, the monetary unit shall submit the balance of endorsement and guarantee from the Company and its subsidiaries in the previous month to the accounting unit. And it shall make a monthly announcement and report with the turnover within the due period.</p>	<p>Announcement and Reporting Procedures</p> <p>1. Before the 10th day of each month, the monetary unit shall submit the balance of endorsement and guarantee from the Company and its subsidiaries in the previous month to the accounting unit. And it shall make a monthly announcement and report with the turnover within the due period.</p>	<p>According to Article 7 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Regulatory Commission (No. 1,080,304,826).</p>

<p>2. In addition to reporting the balance of endorsement and guarantee monthly, the monetary unit shall immediately notify the accounting unit to make an announcement and report within two days from the date of occurrence of the event with relevant information if the amount of endorsement and guarantee handled by the company and its subsidiaries meets one of the following standards.</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a <u>long-term nature</u> in, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements / guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p>	<p>2. In addition to reporting the balance of endorsement and guarantee monthly, the monetary unit shall immediately notify the accounting unit to make an announcement and report within two days from the date of occurrence of the event with relevant information if the amount of endorsement and guarantee handled by the company and its subsidiaries meets one of the following standards.</p> <p>(1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment carrying <u>amount of using equity method</u> in, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>(4) The amount of new endorsements / guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest</p>	<p>According to Article 25, the Company amended the definition of long-term investment in paragraph 2, subparagraph 3, and part of subparagraph 5.</p>
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	<p>(5) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p>	<p>financial statement.</p> <p>(5) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4.</p>	
24	<p>After passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p>	<p>After passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.</p> <p><u>After the Company has appointed independent directors, when it submits its measures for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting.</u></p> <p><u>After the Company has established an audit committee, the adoption or amendment of these measures shall be subject to the consent of more than one-second of all members of the audit committee and shall be submitted to the board of directors for resolution. If it is not approved by more than one-second of all audit committee members, it may be</u></p>	<p>The Company follows Article 8 and 11 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Regulatory Commission (No. 1,080,304,826). Thus, paragraph 2 and 3 were added.</p>

		<u>approved by more than two-thirds of all directors, and the resolution of the audit committee shall be stated in the minutes of the board meeting.</u>	
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Appendix I

SPEED TECH CORP.

Articles of Incorporation (Before Amendment)

June 28, 2017

Amended by 2017 Shareholders Meeting

Chapter I General Provisions

Article 1 : This Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 宣德科技股份有限公司 in the Chinese language, and Speed Tech Corp. in the English language.

Article 2: The scope of this Corporation shall be as follows:

1. CC01020 Electric wire and cable manufacturing
2. CC01060 Wired communication apparatus manufacturing machinery
3. CQ01010 Die manufacturing
4. CC01080 Electronic parts and components manufacturing
5. CA01130 Copper rolling, drawing, and extruding
6. CA02010 Metal architectural components manufacturing
7. C804020 Industrial rubber products manufacturing
8. C805050 Industrial plastic products manufacturing
9. I501010 Product design
10. F119010 Wholesale of electronic materials
11. CC01030 Electronic appliances and audio-visual electronic products manufacturing
12. CC01110 Computers and computing peripheral equipment manufacturing.
13. CB01010 Machinery and equipment manufacturing.

Article 2-1: This Corporation may provide endorsement and guarantee for business and investing purpose.

Article 2-2: The total amount of this Corporation's reinvestment shall not be the subject to the provisions of Article 13 of the Company Act.

Article 3: This Corporation shall have its head office in Taoyuan City, and shall be free, upon resolutions by the Board Directors, to set up branch offices within and without the territory of the Republic of China.

Article 4: (Deleted)

Chapter II Shares

Article 5: The total capital stock of this Corporation shall be in the amount of NT\$4,000,000,000, divided into 400,000,000 shares, at NT\$10 each, and may be issued in installments, as common shares or preferred shares. The unissued shares may be issued by a resolution adopted by the Board of Directors. NT\$167,800,000, in the above capital amount, divided into 16,780,000 shares, at NT\$10 each, are reserved for issuing employee stock options, and shall be issued by installments based on the Board of Directors resolution.

Article 5-1: (Deleted)

Article 6: The treasury shares purchased by this Corporation in accordance with the Company Act may be transferred to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

The share subscription warrants of this Corporation may be issued to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

When this Corporation issues new shares, the employees entitled to subscribe for new shares may include employees of parents or subsidiaries of the Company meeting certain

specific requirements set by the Board of Directors or its authorized persons.

The restricted stock for employees issued by the Company may be transferred to, including but not limited to, employees of parents or subsidiaries of the Company meeting certain specific requirements set by the Board of Directors or its authorized persons.

Article 7: This Corporation may issue shares without printing share certificate(s), and shall be in compliant with Regulations Governing Book-Entry Operations for Centrally deposited Securities.

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

Chapter III: Shareholder's Meeting

Article 9: Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regulars meeting shall be convened, by the Board of Directors, within 6 months after the close of each fiscal year. Special meeting is held in accordance with laws if necessary. To convene a shareholders' meeting, a notice of the meeting with the consent of the addressee, the meeting notice may be given in electronic form.

Notwithstanding the foregoing, a public notice may be made in lieu of separate notice in the case of shareholders with less than 1,000 registered shares.

Article 10: If a shareholder is unable to attend the shareholders meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, with a proxy form printed and issued by the Corporation.

Article 11: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Article 12: The resoultins of the shareholders' meeting, except as otherwise provided in the Company Act, shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

The distribution of the meeting minutes and recording may be made under Article 183 of the Company Act.

Article 12-1: This Corporation, obtained the consent of a majority of the voting rights represented at least two-thirds of attending shareholders, may transfer shares to employees at less than average actual share repurchase price, or issue employee stock warrants, which exercise price may be lower than the closing price of the company stocks as of the issuing date.

Chapter IV Directors and Supervisors

Article 13 : This Corporation shall have 7 to 9 Directors elected from the persons of legal ability in the shareholders meeting. They are eligible for reelection after the term of 3 years. The corporation shall take out Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy. The percentage of total registered shares owned by the directors and supervisors of the company shall be prescribed by the Competent Authority

Article 13-1: In accordance with Article 14-2 of the Securities and Exchange Act, the Corporatiob shall have independent Directors, whose number, to be included in the number of Directors under the preceding Article, shall be not less than two in number and not less than one-fifth of the total number of directors. The independent Directors shall be elected based on candidate nomination mechanism, and appointed from the candidate list by the Board of Directors. The professional qualifications, restrictions on shareholding and concurrent holding of office, determination of independence, method of nomination and election, exercise of power, and other compliance matters with respect to independent Directors shall be prescribed by the Competent Authority of Securities.

Article 14: The Board of Directors shall be composed of all Directors. The Chairman shall be elected from among the Directors by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors. The Chairman of the Board of Directors shall have the authority to represent this Corporation.

Article 14-1: To convene a meeting of the Board of Directors, a notice of the meeting shall be given to each Directors by 7 days before the meeting, provided that a meeting may be convened at any time in case of emergency. The notice of a meeting under the preceding paragraph may be given by means of personal delivery, registered mail, facsimile or electronic mail.

Article 15: When the Chairman is on leave or unable to exercise his rights due to any cause, the designation shall be handled according to Article 208 of the Companies Act.

When a director is unable to be present at a meeting, he may appoint another Director to act on his/her behalf, with a proxy form specifying the scope of authorization. A Director may accept only one appointment per meeting.

Article 15-1: The shareholders' meeting shall be convened by the Board of Directors. The Chairman shall preside as chairman at meeting. If, for any reason, the Chairman is unable to present at a meeting, he may appoint one of the Directors to take his place. In the absence of such a designation, the Directors shall elect from among themselves an acting chairman to preside at the meeting. If a shareholders' meeting is called by someone other than the Board of Directors, then the person calling the meeting shall preside at the meeting. In the event a shareholders' meeting is called by two or more persons, the chairman shall be elected from among themselves.

Article 16: When the Chairman, Directors and Supervisors exercise their duty for the corporation, the corporation shall pay salary accordingly. The Board of Directors is authorized to determine the salary for them, considering the extent and value of the services provided for the management of the Corporation and the standards of the industry within R.O.C and overseas.

Chapter V Manager

Article 17: This Corporation shall appoint one General Manager, and several Deputy General Managers. The appointment, removal and remuneration of such managerial officers shall be determined in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18: At the end of each fiscal year, the Board of Directors shall make the following reports and submit to the general shareholders meeting for approval.

1. Operation Report
2. Financial Statement
3. Proposal for Profit Distribution or Loss Replenishment

Article 19: In order to reward and encourage employees and management team, this Corporation, before paying dividends or bonuses to shareholders, shall set aside not less than 3% as profit sharing bonuses to its employees and not more than 3% of its annual profits as compensation to its directors and supervisors; provided, however, that this Corporation shall have reserved a sufficient amount to offset its accumulated losses first.

Employees' profit sharing shall be distributed by way of cash dividend and/or stock dividend. The compensation to directors and supervisors shall be distributed only in cash. Proposal of compensation shall be resolved by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

"Employees" in the preceding paragraph may include the employees of parents or subsidiaries of the company who meeting certain specific requirements.

Article 20: When allocating the surplus profits after having paid all taxes and dues for each fiscal year, the company shall first offset its losses in previous years, and set aside a legal

capital reserve at 10% of the profits left over. Where such legal reserve amount to the total paid-in capital, this provision shall not apply. Aside from aforesaid legal reserve or reverse special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, any balance left over, unappropriated retained earnings included, shall be allocated per resolution of the shareholders' meeting which proposed by the Board of the Directors.

The policy for allocating the surplus profits shall first assign the net profit after tax for the current year. The Company intends to adopt a dividend policy that seeks to best balance the operating requirements and shareholder interests, a suitable dividend distribution plan may be drafted from unappropriated retained earnings from the previous year. The dividend distribution plan shall take account of the needs of future business expanding plans and the cash flow. Dividends may be distributed by way of cash dividend and/or stock dividend, of which, cash dividends shall be no less than 10% of the total dividend. Provide the aforesaid the ratio of the surplus profit and ratio of cash dividend, may have adjusted depending on the actual earnings and capital position with a resolution reach in shareholders meeting.

Where company incurs no loss, it may, pursuant to a resolution to the board of directors as authorized, by a majority vote at a Board of Directors meeting attended by at least two-thirds of the total number of directors, distribute its legal reserve (which foresaid reserve only the portion of legal reserve which exceeds 25 percent of the paid-in capital) and the capital reserve with the provision of Company Act, which in whole or in part , to shareholders by cash, and report to the most recently shareholders meeting.

Article 21: The matters are not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 22: The constitution was enacted on October 4, 1990.

The 1st Amendment was made on October 19, 1991.

The 2nd Amendment was made on January 17, 1995.

The 3rd Amendment was made on November 24, 1995.

The 4th Amendment was made on October 1, 1997.

The 5th Amendment was made on April 20, 1998.

The 6th Amendment was made on June 17, 1998

The 7th Amendment was made on April 28, 2000.

The 8th Amendment was made on May 10, 2001.

The 9th Amendment was made on May 28, 2002.

The 10th Amendment was made on June 27, 2003.

The 11th amendment was made on June 27, 2003.

The 12th amendment was made on June 16, 2004.

The 13th amendment was made on June 20, 2005.

The 14th amendment was made on June 15, 2006.

The 15th amendment was made on June 13, 2008.

The 16th amendment was made on June 19, 2009.

The 17th amendment was made on April 23, 2010.

The 18th amendment was made on June 15, 2012.

The 19th amendment was made on June 30, 2015.

The 20th amendment was made on June 24, 2016.

The 21st amendment was made on June 28, 2017.

The 22nd amendment was made on May 31, 2018.

The 23rd amendment was made on June 26, 2019.

【Appendix II】

SPEED TECH CORP.
Regulations Governing Loaning of Funds and Making of
Endorsements/Guarantees

Date: June 28, 2016

Approved by Shareholders Meeting

Chapter I General Principles

Article 1

These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act.

Article 2

The company shall comply with these Regulations when making loans to and endorsements/guarantees for others; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 3

According to Article 15 of the Company Law, unless otherwise under any of the following circumstances, the capital of a company shall not be lent to any shareholder of the company or any other person:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement;
or
2. Where an inter-company or inter-firm short-term financing facility is necessary provided that the amount of such financing facility shall not exceed forty percent of the amount of the net value of the lending enterprise.

The term "short-term" referred to in the preceding paragraph, means one year. However, if the Company's business cycle is longer than one year, the business cycle shall prevail.

The term "financing amount" referred to in the second paragraph, means the accumulated balance of the Company's short-term financing funds.

The Company, directly and indirectly, holds foreign companies with 100% voting shares to engage in capital lending, which is not subject to the Subparagraph 2 of Paragraph 1. However, it shall still set the limit and term for the loan of funds under the provisions of Article 14.

Article 4

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including:
 - A. Bill discount financing.
 - B. Endorsement or guarantee made to meet the financing needs of another company.
 - C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 5

The company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the company.

Companies in which the company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

Article 6

"Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. "Net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7

The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the regulatory authority.

"Date of occurrence" refers to the date of signing a trading transaction, the date of payment, the date of the resolution of the director board, or other dates on which the trading partner and the transaction amount are entirely determined.

Chapter II Formulation of Operation Procedures

Section I Loans of Funds to Others

Article 8

Evaluation standards for loaning funds to others

- A. Companies having a business relationship with the Company shall be subject to the business activities that have taken place.
- B. Fund-loaning to companies which need funds for a short-term period shall be limited to associates in which the Company, directly or indirectly, holds more than 20% of the voting shares for the purpose of repaying bank loans, purchasing equipment or business turnover.

Article 9

The aggregate amount of loans and the maximum amount permitted to a single borrower

The accumulated total of loans granted shall not exceed 40% of net worth of the latest audited or reviewed financial statements.

All matters related to the maximum amount permitted to a single borrower and reason for loaning to are promulgated as follows.

1. The amount of an individual loan granted by the Company to a company or business with business relationship with the Company shall refer to the latest or current year, the amount of purchase or sale between the parties, whichever is higher.
2. Where funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 20% of the net worth of the latest audited or reviewed financial statements.
3. Subsidiaries and sub-subsidiary in which the Company holds, directly or indirectly, 100% of voting shares, shall not apply to the limits of 20% net worth, only if, the maximum amount shall not exceed 40% of net worth of the financial statement which has reviewed or audited lately.
4. For fund-lending (for financing needs) between offshore company whose voting shares are 100% owned, directly or indirectly, by the Company, the total amount for such fund-lending shall not be subject to the limit of 100% of the net worth of parent company which the financial statement be reviewed or audited lately.

Article 10

Loans of Funds Operation

1. Procedure of loaning of funds
 - (A) After being reviewed by the Company's competent authority, submitted to the chairman and the board of directors for approval, the loan of funds or short-term financing can be handled.
 - (B) Any loan of funds between the Company and the parent company, its subsidiaries or associated enterprises, or its subsidiaries shall be approved by the board of directors following the provisions of the preceding paragraph. It is also subject to a certain amount authorized by the chairman and the board of directors and is allocated or recycled in installments within one year.
 - (C) The "certain amount" referred to in (B) means that except for the foreign companies in which the Company, directly and indirectly, holds one hundred percent of the voting shares, the authorized amount of funds lending of the Company or its subsidiaries to a single enterprise shall not exceed 10% of the net value of the latest financial statements of the Company.
 - (D) The monetary unit shall establish a reference book for capital loans and events. After

the resolution of the director board on the fund loans is passed, the details of the loan object, amount, date of approval by the director board, disbursement date, and matters that are carefully assessed in accordance with the review procedures shall be published for future reference.

- (E) The internal auditors shall audit the operating procedures and implementation of the fund lending quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately.
- (F) The monetary unit shall prepare a detailed list of monthly fund loans and events that occurred and canceled, control the tracking and handle the announcement report, and evaluate and provide an adequate allowance for bad debts quarterly. And its units shall disclose capital loans and information and provide relevant details of the certified public accountant in the financial report.
- (G) If the loan object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule.

2.Procedure of Scrutinizing

- (A) When the Company deals with the matters of loaning of funds, the borrower shall provide necessary information regarding the corporation and finance in advance for applying to the Company in writing for the quota of loaning of funds.
- (B) After the Company accepted the application, competent authority shall investigate and assess the necessity and reasonableness of loans to others, or whether the Company, directly or indirectly, with which the Company is having business relationship, or the financial status, solvency and credit, profitability and financing purpose of the borrower, or the impact of such loaning of fund upon the Company's business operation, financial condition and shareholders' equity. When competent authority investigates and assesses the borrower in detail, a report shall be submitted to Board of Directors for examination.
- (C) When the Company makes a loan of capital or short-term financial needs, it shall obtain the same amount of secured bills except for those of its parent company, subsidiaries, sub-subsidiaries or affiliates, and shall pledge movable or immovable property if necessary, and shall evaluate quarterly whether the value of the collateral is equivalent to the balance of the loan of capital, and shall provide additional collateral if necessary. If the debtor provides a personal or enterprise guarantee of adequate capacity and credit, in provision of substitute security, the board of directors may refer to the examination report of the competent authority; if a company is used as a guarantee, the company shall pay attention to whether its articles of incorporation provide for the provision of guarantee.

Article 11

Duration of loans and calculation of interest

The term of each loan extended by the Company shall not exceed one year, short-term financial need may not apply. Under any special circumstance and subject to applicable laws and regulations, the Company may extend the term of the loan with the approval of the Board of Directors.

The interest shall not be less than the average interest on short-term loans from financial

institutions and be calculated on a monthly basis. In case of special circumstances, the interest may be adjusted according to the actual situation with the approval of the board of directors.

Article 12

Subsequent Measures for Controlling and Management

1. After a loan is extended, the Finance Division shall regularly evaluate the business and financial status as well as credit of the borrower and guarantor. The Finance Division shall also pay attention to any collateral value change, if it has provided, and prepare written records accordingly. Any major change shall be reported to general manager and related authorities in order to take adequate action to protect the Company's interest.
2. When making a repayment on the due day, the borrower shall first calculate the interest payable, and make it paid off together with the principal; after that, the certificates of the obligatory claim such as promissory note, certificate of indebtedness, etc. shall be canceled and returned to the borrower
3. If the borrower fails to repay the interest and principle or apply for the extension of period when due, after providing necessary notification, the Company shall enforce the right to preserve its obligatory right pursuant to the law.

Article 13

Announcement and Reporting Procedures

1. The financial division shall disclose and report the loan balances of the Company and its subsidiaries along with the turnover for the previous month by the tenth day of each month.
2. A public company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - (A) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's net value as stated in its latest financial statement.
 - (B) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net value as stated in its latest financial statement.
 - (C) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net value as stated in its latest financial statement
 - (D) The Company shall announce and report on behalf of any subsidiary thereof that is not a domestic public company any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

Article 14

Control Procedure to Subsidiaries in Loaning of Funds to Other Parties

1. The Company's subsidiaries or sub-subsidiaries shall not engage in the lending of funds to others except to their owns; if they intend to lend funds, they shall follow the

Company's capital lending regulations. However, if a subsidiary or sub-subsidiaries is a domestic listed company, it shall establish its own regulations in accordance with the regulations of the competent authorities. If a subsidiary or a sub-subsidiary is subject to local laws and regulations, the Company's board of directors must approve the relevant regulations.

- 2.If a subsidiary or a sub-subsidiary of the Company lends funds to other parties, the Company shall provide a written report to the Company by the 5th day of each month regarding the balance, object, and term of the funds loan in the previous month. The Company's auditing unit shall include the lending of funds to others as one of the items to be audited on a quarterly basis, for which shall be listed as necessity and reported to the board of directors and supervisors.
- 3.Company shall provide a written report to the Company by the 5th day of each month regarding the balance, object, and term of the funds loan in the previous month. The Company's auditing unit shall include the lending of funds to others as one of the items to be audited on a quarterly basis, for which shall be listed as necessity and reported to the board of directors and supervisors.

Section II Endorsements/Guarantees for Others

Article 15

The ceilings on amount of endorsement/guarantee

The aggregate amount of endorsements/guarantees provided by the Company shall not exceed 50%, or more of the net worth of the Company and the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 15% of or more of the net worth of the Company.

The aggregate amount of endorsements or guarantees provided by the Company and its Subsidiaries shall not exceed 50 % or more of the net worth of the Company and the amount of endorsements or guarantees provided by the Company and its Subsidiaries for any single entity shall not exceed 50 % or more of the net worth of the Company. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its Subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the Shareholders' Meeting.

Subsidiaries, sub-subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares shall be subject to the aforementioned 15% limits, where the maximum amount shall not exceed 2 times of net worth of the Company based on its latest financial statement.

The endorsement or guarantee amount should not exceed past six months of total amount of transactions from the company with which the Company does business. Unless the aforementioned regulations, the amount of guarantees or endorsements shall refer to the latest or current year, the amount of purchase or sale between the parties, whichever is higher.

Article 16

Procedures for handling endorsement/guarantee

- (1) When handling endorsement and guarantee, the financial unit shall follow the endorsers' application and check whether the endorser's qualification and quota meet the requirements of the operation procedures and whether there is an event that has reached the reporting standards for the announcement. Together with the review and evaluation results of Article 17 from the measures, the monetary unit shall sign for the chairman's approval and submit the same to the director board for discussion and approval.
- (2) The monetary unit shall establish a reference book for endorsement and guarantee matters. After the director board or the chairman approves the endorsement/guarantee, in addition to the application for seal following the prescribed procedures, the details of endorsement and guarantee object, amount, date of approval by the director board or decision by the chairman, date of endorsement and guarantee, and matters that are carefully assessed under the Article 17 from the measures shall be published for future reference. Relevant documents such as bills and agreements shall also be photocopied and properly kept.
- (3) The internal auditors shall audit the operating procedures and implementation of the endorsement and guarantee quarterly and make written records. In case of any serious violation, the supervisors shall be informed in writing immediately.
- (4) The monetary unit shall prepare a detailed list of monthly endorsement and guarantee events that occurred and canceled, control the tracking and handle the announcement report, and evaluate and provide a recognition of contingent loss of endorsement quarterly. And its units shall disclose endorsement and guarantee information and provide relevant details of the certified public accountant in the financial report.
- (5) If the endorsement and guarantee object does not conform to the provisions or the balance exceeds the limit due to the change of circumstances, the financial unit shall formulate an improvement plan, send the relevant improvement plan to each supervisor, and complete the improvement according to the schedule.
- (6) Before the due date of endorsement and guarantee, the monetary unit shall, on its initiative, notify the guaranteed enterprises to recover the secured notes retained in banks or credit institutions and cancel the relevant deeds of endorsement and guarantee.

Article 17

Detailed Review Procedures

In handling the endorsement guarantee, the Finance Department shall review and evaluate the following matters and make a record, except for the subsidiary or the Sub-subsidiary :

- (1) To understand the relationship between the object of endorsement and the Company, the purpose and purpose of the loan, the relevance to the Company's business or the importance of its operation to the Company, etc., and to endorse the limit and current balance of the Company, to assess its necessity and reasonableness.
- (2) Take the annual report, financial report or other relevant information sufficient to show the financial position of the endorsed guarantor, analyze the operation, financial and credit status and repayment sources of the endorsed guarantor, etc., in order to measure

the possible risks.

- (3) To analyze the Company's current endorsement guarantee balance as a percentage of the Company's net value, liquidity and cash flow position, and (1) and (2) the results of the review to assess the impact on the Company's operational risks, financial position and shareholders' equity.
- (4) Depending on the nature of the guarantee and the credit status of the insured and the evaluation results of (1)-(3), to measure whether the insured is required to provide appropriate collateral, and to assess quarterly whether the value of the collateral is comparable to the balance of the endorsement guarantee, and if necessary, the insured may be required to provide additional collateral.

Article 18

Procedures for controlling and managing endorsements/guarantees by subsidiaries

- (1) A subsidiary or sub-subsidiary company of the Company shall, in principle, not engage in endorsements and guarantees for others except to the Company or its subsidiaries or sub-subsidiaries; when necessary, the proposed endorsement of the guarantee shall be carried out in accordance with the method of endorsements and guarantees of the Company.

A subsidiary that directly or indirectly holds more than 90% of the voting shares of the Company shall, before endorsing the guarantee, submit it to the Board of Directors of the Company for resolution. Except for the inter-company's endorsement of the Company's direct and indirect holding of 100% of the voting shares.

However, when a subsidiary or sub-subsidiary is a listed or listed company in China, the relevant measures shall be formulated on their own in accordance with the provisions of the competent authorities. When a subsidiary or a sub-subsidiary is required to formulate relevant measures due to the local laws and regulations, the Board of Directors of the Company shall agree to the relevant measures.

- (2) If a subsidiary or Sub-subsidiary of the Company has an endorsement guarantee, it shall report to the Company in writing the balance, object, period, etc. of the previous month's endorsement guarantee before the 5th of each month. The audit unit of the Company shall list the endorsement and guarantee operations of its subsidiaries as one of the quarterly audit items, and the audit status of the Company shall be listed as a necessary item to report the audit business to the Board of Directors and supervisors.
- (3) If a subsidiary of the Company is not a public company, its endorsement guarantee balance reaches the standard of Article 21, paragraph 2, which should be announced and declared shall be notified to the Company on the date of occurrence of the fact, and the Company shall apply for the announcement and declaration on the designated website in accordance with the provisions.

Article 19

Decision and Authorization Levels

- (1) When the Company handles endorsements and guarantees, it shall sign them in accordance with the procedures provided for in Article 16 of these measures and be

approved by the Board of Directors. However, in order to meet the need for time-limitation, the endorsement of the subsidiary or Sub-subsidiary shall be guaranteed within the amount specified in Article 15 of these measures, and shall be authorized by the Board of Directors to make a decision in advance, and then reported to the latest Board of Directors for approval.

- (2) The Company shall, with the consent of the Board of Directors and the name of more than half of the directors of the Company for the losses that may arise from the exceeding of the Company's limit, amend the operating procedures and submit them to the Shareholders Meeting for approval. If the shareholders Meeting does not agree, the Shareholders meeting shall make a plan to eliminate the excess limit within a certain period of time.
- (3) A subsidiary whose net value is less than one-half of the paid-in capital shall report the final status of its execution to the Board of Directors on a quarterly basis. If the shares of a subsidiary have no denomination or the denomination of each share is not NT\$ 10, the paid-in capital amount calculated in accordance with the provisions of the preceding paragraph shall be based on the total amount of capital plus capital reserve-issue premium.

Article 20

Procedures for custody of corporate chops

1. The Corporation shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements and guarantees. The chop shall be kept by the Board of Directors to authorize the person and may be used to seal or issue negotiable instruments, and a report to the Board of Directors for approval shall be made before dismissal or change of the designated chop custodian.
2. After the endorsement and guarantee has been resolved by the Board or approved by the Chairman, the financial unit shall fill out "Seal Use Application Form" and send along with approval record and documents to seal including endorsement and guarantee agreement or guaranteed negotiable instruments to financial supervisor before submitting to the person of corporate chop custody for applying seals.
3. Where the person of corporate chop custody applies seals, a check on availability of approval record, approval of "Seal Use Application Form" by financial supervisor, and matching of documents to seal shall be performed before applying seals. A note shall be made to "Seal Use Application Form" after the seal has been applied.
4. When making a guarantee for a foreign company, the Corporation shall obtain the Guarantee Agreement signed by the chairman authorized by the Board of Directors or a director or general manager authorized by the Chairman.

Article 21

Announcement and Reporting Procedures

1. Before the 10th day of each month, the monetary unit shall submit the balance of endorsement and guarantee from the Company and its subsidiaries in the previous month

to the accounting unit. And it shall make a monthly announcement and report with the turnover within the due period.

2. In addition to reporting the balance of endorsement and guarantee monthly, the monetary unit shall immediately notify the accounting unit to make an announcement and report within two days from the date of occurrence of the event with relevant information if the amount of endorsement and guarantee handled by the company and its subsidiaries meets one of the following standards:
 - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.
 - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.
 - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.
 - (4) The amount of new endorsements / guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.
 - (5) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Chapter III Punishment

Article 22

In the event relevant personnel of the Company violates the Guideline and its relevant laws and regulations, such personnel shall be assessed according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by Securities and Futures Institute or this procedure, depending on the circumstances of the violation, it shall be handled in accordance with the following regulations, and the violation record will be a reference for the employees’ manual appraisal.

- (1) Violation of the power of verification: the first violation shall be given an oral warning, the second violation shall be given a written warning, and shall be compelled to participate in the internal control system training course of the Company, moreover recidivism or those with serious circumstances should be transferred to another post.
- (2) Violation of review procedures: the first violation shall be given an oral warning, the second violation shall be given a written warning, and shall be compelled to participate in the internal control system training course of the Company, moreover Recidivism or those with serious circumstances should be transferred to another post.
- (3) Violation of announcement and report: the first violation shall be given an oral

warning, the second violation shall be given a written warning, moreover recidivism or those with serious circumstances should be transferred to another post.

- (4) The higher-level supervisors of those who violate the regulations should also be punished, but those who can reasonably explain that they have not taken precautions beforehand are not limited to this.
- (5) In the execution of their business, if the board of directors or directors violate relevant regulations and the resolutions of the shareholders meeting, the supervisor shall notify the board of directors or directors to stop their actions in accordance with Article 218-2 of the Company Art.

Chapter IV Other Matters

Article 23

The conduct of endorsement/guarantees and related matters of the Company and its subsidiaries in each business year shall be reported to the next annual shareholders meeting for reference.

Article 24

After passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Appendix III

SPEED TECH CORP.

Rules and Procedures of Shareholders' Meeting

Shareholders resolution on June 15, 2012

Article 1 (Rule Basis)

To develop a good governance system, supervision capabilities and management mechanism of this Corporation Board of Directors, these rules and procedures are established in accordance with Article 5 of the Taiwan "Corporate Governance Best Practice Principle for TWSE/TPEX Listed Companies".

Article 2 Unless otherwise provided by relevant laws or regulations, the Company's shareholders' meetings shall be conducted in accordance with these Rules and Procedures of Shareholders' Meetings.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, the shareholders meetings shall be convened by the Board of Directors.

The convening of the shareholders' general meeting shall be notified to the shareholders 30 days before the date. To notify the shareholders holding less than one thousand shares of the registered shares, the corporation shall upload the information to the Market Observation Post System (MOPS) 30 days before the meeting. The convening of the special shareholders meeting shall be notified to the shareholders 15 days before the meeting. To notify the shareholders holding less than one thousand shares of the registered shares, the corporation shall upload the information to MOPS 15 days before the meeting date.

The notification and the announcement shall state the purpose of the meeting.

Re-election of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Article 4 (Proxy appointing)

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

Article 5 (The principles of the time and place of a shareholders meeting)

The Meeting shall be held at the head office of the Company or at any other appropriate

place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 6 (Preparation of documents such as the attendance book)

This Corporation shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. Attendance and voting rights at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

It is advisable that shareholders meetings convened by the Board of Directors, more than a half of the Board of Directors shall present at the meeting. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. The Company may appoint counsel appointed, accountant or personnel to attend the shareholders' meeting.

Article 8 (Taperecorded or videotaped shareholders' meeting process)

All shareholders' meetings shall be taperecorded or videotaped, and these tapes shall be preserved for at least one year; provided however, if there is any Shareholder bringing any proceeding against the Company pursuant to Article 189 of the Company Act, the relevant tapes shall be preserved till the end of the proceedings.

Article 9 (Calculation of the number of shareholders attendance)

The Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, 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 shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 11 (shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account

name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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 3 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.

Article 13 (Voting and methods for vote monitoring and counting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

The passage of a proposal, except as otherwise provided in the Company Act and Articles of Incorporation of this Corporation, shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. 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.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

Other than listing proposals in the procedure, the proposal or an amendment or alternative to a proposal proposed by the shareholder shall be seconded by other shareholders. Total shares of proposer and resolutioners shall reach 1% of total voting shares.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be shareholders. Vote counting shall be conduct in the meeting in public. Voting results shall be made known on-site immediately and recorded in writing.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence 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.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

Article 14 (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 (Conference record and signed Matters)

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 distribute of the preceding paragraph in accordance by the Company Act.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

The methods of proceeding resolution, of which is by an inquiry by the chair with no attending director voices an objection, shall be recorded “ by an inquiry by the chair with no attending director voices an objection”, if there is an objection following an inquiry by the chair, shall be recorded the method of resolution and the ratio of resolution and the votes.

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 The matters are not covered by the Rules, it shall follow by the chair's deed.

Article 20 (Supplementary Provisions)

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix IV

SPEED TECH CORP. Shareholding of Directors and Supervisors

1. Total common stocks issued: 169,355,000 shares
2. In compliance with the provisions of Article 26 of the Securities Exchange Act, all directors, supervisors should hold a minimum number of shares as follows:
 - (1) The minimum required combined shareholding of all directors: 10,161,300 shares

Book closure date: April 30, 2020

Title	Name	Shareholdings	Shareholdings Ratio (%)
Chairman	Hong Kong Lian Tao Electronics Co., Ltd Representative: Zhen-Long Cai		
Director	Hong Kong Lian Tao Electronics Co., Ltd Representative: Yi-Ling Ye	51,989,551	30.65%
Director	Hong Kong Lian Tao Electronics Co., Ltd Representative: Zhao-Ren Huang		
Director	Hong Kong Lian Tao Electronics Co., Ltd Representative: Chun-Hsi Shen	0	0
Director	Guo-Ji Fan	0	0
Independent Director	Ho-Bo Zhang	0	0.00%
Independent Director	Ding-Jun Zhong	5,000	0.003%
Shareholdings of all Directors and Ratio		51,994,551	30.70%
Supervisor	Wei Hua Investment Co., Ltd. Representative: Qiu-Tan Lin	8,000,000	4.72%
Supervisor	Jia-de Xu	30,000	0.01%
Supervisor	Chia-Wei Tsia	0	0.00%
Shareholdings of all Supervisors and Ratio		8,030,000	4.73%

Note: In compliance with "Rules and Review Procedures for Directors and Supervisors Share Ownership Ratio at Public Companies" provisions of Article 2, if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.

- (2) The minimum required combined shareholding of all supervisors: 1,016,130 shares