Stock Code: 2481

PANJIT INTERNATIONAL INC.

2021 Annual General Meeting Manual

Time: June 17, 2021 (Thursday) 9:00AM

Location: 9F., No. 266, Cheng-kung 1st Rd., Qianjin Dist., Kaohsiung City
(Jīn-Yín Room of Grand Hi-Lai Hotel)

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2021 AGM Meeting Agenda of PANJIT INTERNATIONAL INC.

1. Time: June 17, 2021 (Thursday) 9:00AM.

2. Location: 9F., No. 266, Cheng-kung 1st Rd., Qianjin Dist., Kaohsiung City (Jīn-Yín Room of Grand Hi-Lai Hotel)

3. Call the Meeting to Order

4. Chairman Remarks

5. Report Items:
   (1) FY2020 Business Report and FY2021 Business Plan.
   (2) Audit Committee's Review Report of FY2020 Final Statements.
   (3) FY2020 Employee and Director Remuneration.
   (4) FY2020 Cash Dividend Distribution.
   (5) FY2020 Endorsements and Guarantees.
   (6) Amendments to the Company's "Code of Ethical Conduct".

6. Approval Items:
   (1) Approval of FY2020 Business Report and Financial Statements.
   (2) Approval of FY2020 Earnings Distribution.

7. Discussion Items:
   (1) To Amend The "Rules Of Procedures For Shareholder Meetings".
   (2) To Propose The Issuance Of New Common Shares For Cash To Sponsor The Issuance Of GDR.
   (3) To Propose The Issuance Of Restricted Stock Awards.

8. Extraordinary motions

9. Adjournment

Report Items

1.FY2020 Business Report and FY2021 Business Plan. (Please refer to Annex 1)

2.Audit Committee's Review Report of FY2020 Final Statements. (Please refer to Annex 2)

3.FY2020 Employee and Director Remuneration

The Company’s Articles of Association stipulates in Article 19 that, after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration.” After deducting the reserved FY2020 offsetting amount, the profit is NT$1,025,460,740. It is proposed to allocate 2% for director remuneration, totaling NT$20,509,214, and 6% for employee compensation, totaling NT$61,527,645. All are issued in cash.

4.FY2020 Cash Dividend Distribution

(1) According to the first paragraph of Article 19 of the Articles of Association, the Board of Directors shall draft a surplus distribution proposal, and report to the shareholders meeting after the resolution of the Board of Directors in accordance with the second paragraph of the same article.

(2) The Company has decided to distribute shareholder dividends of NT$1.5 per share, all of which will be paid in cash, with a total amount of NT$498,172,391.

(3) The Board of Directors authorized the Chairman to set the ex-dividend base date for issuance. The current cash dividends are calculated by rounding down to the whole NT dollar; the fractional amounts are aggregated and recorded as the Company’s other income.

(4) If the number of outstanding shares is affected by the purchase or transfer of treasury stocks or other factors, the Board of Directors authorizes the Chairman for sole discretion and adjustments.

5.FY2020 Endorsements and Guarantees

As of December 31, 2020, the Company's endorsements and guarantees provided are as follows:

Units: NT$ thousands

Subject Of Endorsements/Guarantees	Highest Amount Of Endorsement/Guarantee Till The End Of The Month	Outstanding Endorsements/Guarantees At The End Of The Period	Actual Amount Used
Company Name			
PAN-JIT ASIA INTERNATIONAL INC.	2,237,340	1,879,680	1,879,680
PAN JIT ELECTRONIC (WUXI) CO., LTD	15,220	0	0
Total		1,879,680	

6.Amendments to the Company's "Code of Ethical Conduct." (Please refer to Annex 3)

Approval Items

Proposal 1： Board of Directors' proposal

Subject：Approval of FY2020 Business Report and Financial Statements

Details：1. The Company’s FY2020 Business Report and Financial Statements (please refer to Annex 1), Parent Company Only Financial Statements and Consolidated Financial Statements (please refer to Annex 4 and Annex 5) have been audited by CPA CHEN, ZHENG-CHU, and TU, JIA-LING of Ernst & Young, which are considered to be sufficient to adequately represent the Company's financial status as of December 31, 2020, and FY2020 operating results and cash flow.

2. The above-mentioned final statements have been sent to the Audit Committee for review, and it is deemed to be without discrepancy.

3. Please approve.

Resolutions：

Proposal 2： Board of Directors' proposal

Subject： Approval of FY2020 Earnings Distribution

Details：1. The Company's Earnings Distribution Chart, please refer to Annex 6.

2. The Company’s FY2020 Net Income of NT$897,434,464, plus the opening undistributed surplus of NT$128,690,629, deducting the change in ownership and equity of the subsidiary, NT$3,844,069,and disposal of investments in equity instruments at fair value through other comprehensive income of NT$1,690,166 and FY2020 other comprehensive income (re-measurement of defined benefit plan) of NT$5,086,731, the total surplus available for distribution is NT$1,015,504,127. Excluding the appropriated for egal reserve of NT$88,681,350,it is proposed to distribute a dividend of NT$1.5 per share to shareholders. All payments will be made in cash, with a total amount of NT$498,172,391.

3. The above-mentioned earnings distribution have been sent to the Audit Committee for review, and it is deemed to be without discrepancy.

4. Please approve.

Resolutions：

Discussion Items

Proposal 1: Board of Directors' proposal

Subject：To Amend The "Rules Of Procedures For Shareholder Meetings"

Details：1. In line with relevant laws and regulations and actual operational requirements, it is proposed to amend the Company’s "Rules of Procedures for Shareholders Meetings." Please refer to Annex 7 for a comparison of the provisions before and after the amendment.

2. Please approve.

Resolutions：

Proposal 2: Board of Directors' proposal

Subject：To Propose The Issuance Of New Common Shares For Cash To Sponsor The Issuance Of GDR

Details：1. To meet the financial needs of the Company's future development and to strengthen the Company's international competitiveness, it is proposed to the shareholders meeting to authorize the board, depending on the financial market conditions at the time and the Company's capital needs, at an appropriate time and within the quota of not more than 100,000 thousand ordinary shares, for the issuance of GDR through the issuance of new common shares by capital increase. The shareholder meeting is also proposed to authorize the Board of Directors for one or several issuances within the aforementioned quota. Meanwhile, depending on the overseas issuance market and shareholders' capital needs, the original shareholders shall allocate their shares to participate in the issuance of GDR. The Board of Directors shall be responsible for matters related to the issuance.

2. For the issuance of new common stocks for cash to sponsor the issuance of GDR, except that 10% to 15% of the total number of new shares to be issued per Article 267 of the Company Act are reserved for subscription by the

Company’s employees, the remaining 85% to 90% are proposed to the shareholder meeting, based on Article 28-1 of the Securities and Exchange Act, for public offering. These shall be the original securities for the issuance of GDR. For the employee waives of the subscription or the under-subscribed portion, the Chairman is authorized to approach specific parties for subscription or to include in the original securities for the issuance of GDR.

3. The new shares issued in this capital increase have the same rights and obligations as the originally issued shares.
4. For the issuance of GDR through the issuance of new common shares by capital increase, the issuance price is based on Article 9 of the “Self-discipline Rules for Underwriters’ Guidance on Issuing Companies’ Raising and Issuing Securities” of TAIWAN SECURITIES ASSOCIATION. It shall be no less than the simple arithmetic means, between the closing price of the Company's common stock in the centralized securities exchange market and the closing price of ordinary shares calculated on one, three, or five business days before the pricing day, deducting 80% of the average price of stock dividends after ex-rights and ex-dividend. Also, the issuance price of GDR shall not be lower than the par value when converted into the per-share price of common shares. However, if the relevant domestic laws and regulations change, the pricing method must also be adjusted following the laws and regulations. Given the frequent violent short-term fluctuations in domestic stock prices, it is proposed to authorize the Chairman, based on international practices, concerning international capital markets, domestic market prices, and summarised bulk purchase situations, to delegate security underwriter for the actual issuance price to increase the acceptance of overseas investors.
5. In addition, based on the upper limit of 100,000 thousand common shares issued for the cash capital increase, the maximum equity dilution ratio to the original shareholders is approximately 23.10% based on the maximum capital

increase. However, after implementing this capital increase, the expected benefits can enhance the Company's competitiveness and benefit shareholders. In addition, the method of determining the issuance price for GDR this time is based on the fair trading market price of the Company’s common stock in the domestic centralized securities exchange market. The original shareholders can still purchase the Company’s common stock in the domestic stock market at a price close to the issuance price of GDR. In addition, there is no exchange risk and liquidity risk. Therefore, it should not cause a significant influence on the equity of the original shareholders.

6. The estimated use of funds for this fundraising plan is for one or more purposes in response to the Company's long-term development. The implementation of the plan is expected to enhance the Company's competitiveness and enhance its operational efficiency, which will also be positive for shareholders' equity.
7. The main content of this fundraising plan includes tentative/actual issuance price, the number of shares issued, issuance conditions, planned projects, raising amount, estimated progress, and the expected benefits, and all other matters related to the issuance plan. It is proposed to the shareholder meeting for approval and to authorize the Board of Directors to adjust, formulate and handle according to market conditions. In the future, if the competent authority instructs to amend or when it needs to be changed based on operational evaluation or due to the objective environment, it is proposed to authorize the Board of Directors to handle with sole discretion.
8. After the fundraising proposal is submitted to the competent authority for approval, it is proposed to authorize the Chairman to set the base date for subscription, payment period and base date for capital increase and other matters related to the issuance.
9. For the issuance of new common shares for cash to sponsor the issuance

Of GDR, it is proposed to the shareholder meeting to authorize the Chairman or its designated person for the approval and signature of all documents and matters related to the issuance of GDR on behalf of the Company.

10. The undecided matters shall be authorized to the Chairman to handle with sole discretion.
11. Please approve.

Resolutions：

Proposal 3: Board of Directors' proposal

Subject：To Propose The Issuance Of Restricted Stock Awards

Details：1. The Company intends to issue FY2020 Restricted Stock Awards, according to Article 267 of the Company Act and the relevant regulations of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Issuance Regulations") by the Financial Supervisory Commission.

2. The proposal of issuing Restricted Stock Awards is outlined as follows:

(1) Total issuance amount: 6,000,000 ordinary shares, denomination of NT$10 per share, and total issuance of NT$60,000,000.

(2) Issuance conditions:

A. Issuance price: free, the issuance price per share is NT$0.

B. Vesting conditions

(a) After employees are allocated Restricted Stock Awards, If they are still working for the Company on each vested day, and during the period, it is recognized by the Company that they have not violated the Company’s labor contract, employee code of conduct, deed of trust, corporate governance code of practice, integrity management code, work rules, on-competition and confidentiality code, or agreement with the Company, etc., and achieve the individual performance indicators and the Company’s business targets set by the Company, the vesting ratios on the vested days in each year are as follows:

1-1. One full year after: 20%

1-2. Two full years after: 20%

1-3. Three full years after: 20%

1-4. Four full years after: 20%

1-5. Five full years after: 20%

(b) Individual performance indicators

According to the Company’s performance appraisal ratings, the performance appraisal in the most recent year after the vesting period is A (inclusive) or above. For strategic key employees, the aforementioned performance appraisal must reach A+.

(c) Corporate business targets

Operating revenue and operating margin shall be performance indicators. The targets of each indicator are as follows, and both targets must be achieved simultaneously. Determination of reaching targets is based on the consolidated financial statements verified by CPA in the most recent year of the vested period.

Qualify date (Granted date)	Operating revenue comparing to previous period Internal targets on business growth rate	Operating margin
One full year after	13% or above	11.0% or above
Two full years after	20% or above	11.5% or above
Three full years after	18% or above	12.0% or above
Four full years after	17% or above	12.5% or above
Five full years after	20% or above	13.0% or above

C. Methods for the employee's failure meeting the vesting conditions or the occurrence of inheritance：

Should the vesting conditions are not met, the Company shall reclaim and cancel the unvested shares at no cost. Other matters shall be handled following the issuance regulations set by the Company.

D. Types of shares to be issued: the Company’s new common shares.

(3) Employee qualifications and the number of shares that can be allocated or subscribed:

A. The Company's full-time employees who are still working for the Company on each vesting day after being allocated Restricted Stock Awards, have achieved certain performance and comply with the following principles:

(a) Highly related to the Company's future strategic development

(b) Core talents for key technologies

(c) Employees who meet the requirements of Article 8-2 Paragraph 4 and Paragraph 5 of the Articles of Association of the Company

B. The number of Restricted Stock Awards shares that can be allocated for employees will be determined by the Chairman in consideration of seniority, ranking, position, performance, overall contribution, special achievements, or other factors that need to be referred to in management. Only employees with the status of directors and managerial officers should be approved by the Board of Directors after approval of the remuneration committee.

C. Individuals who hold more than 10% of the Company’s issued common shares are not eligible for the issuance.

Members of the remuneration committee and members of the Board of Directors who do not have the status of employees are not eligible for the issuance.

D. The sum of a single employee's accumulated number of new restricted shares for employee and the number of shares to be subscribed for the employee stock option issued by the Company by the first provision of Article 56-1 of the Issuance Regulations must not exceed three-thousandths of the Company's total issued shares. The number of shares to be subscribed for the employee stock option issued by the Company by the first provision of Article 56-1 of the Issuance Regulations must not exceed 1% of the Company's total issued shares. For those approved by the central government agency in special projects, the total amount of a single employee's acquisition of employee stock options and new employee restricted shares may not be limited by the previous ratio. If the competent authority updates the relevant regulations, it will be handled following the competent authority's updated laws and regulations and regulations.

(4) Necessity of issuing Restricted Stock Awards

To attract and retain key talents to achieve the Company's medium and long-term goals, the Company hopes to motivate employees all out to achieve the Company's operating targets, to generate higher benefits for the Company and shareholders, and to ensure that the interests of the Company's employees are synchronized with the interests of shareholders.

(5) The number of possible expenses and the dilution of earnings per share, and other matters affecting shareholders' equity:

A. The number of possible expenses:

The Company shall measure the fair value of the stock on the grant date and recognize the relevant expenses annually during the vesting period. Based on the fictitious calculation based on the closing price of the Company’s common shares on March 18, 2021, NT$54.2, the total amount that may be expensed is NT$322,723 thousand if all the conditions are met. The provisional estimated expenses from 2021 to 2025 are NT$65,258 thousand, NT$64,851 thousand, NT$64,413 thousand, NT$64,281 thousand, and NT$63,920 thousand.

B. The dilution of the Company’s earnings per share, and other matters affecting shareholders' equity:

Based on the total number of issued shares of the company on March 18, 2021, 332,814,927 shares, the provisional estimate of the number of expenses from 2021 to 2025 to the earnings per share dilution is NT$0.20, NT$0.19, NT$0.19, NT$0.19, and NT$0.19, respectively. The impact on the Company’s earnings per share dilution is still limited. Therefore, there is no significant influence on shareholders’ equity.

3. The Company's 2021 rules of issuing the restricted stock awards. Please refer to Annex 8.
4. For the stipulated conditions of the restricted stock awards in this issuance, if the Company is instructed by the competent authority, relevant laws and regulations are amended, or in response to financial market conditions, etc. and when it needs to be revised or amended, it is proposed to the shareholder meeting to authorize the Board of Directors or its designated person for sole discretion.
5. This issue of Restricted Stock Awards , its relevant restrictions, and important agreed matters or matters not covered in this issuance shall be handled following relevant laws and regulations and the issuance rules set by the Company.
6. Please approve.

Resolutions：

Extraordinary motions

Adjournment

Annex 1

PANJIT INTERNATIONAL INC.

Annual business report

Market news

2020 summary:

The global economy was rugged in 2020. COVID-19 in the first half of the year led to a chaotic global supply chain. The impact of the rapid spread of the global pandemic has greatly increased the demand for work and study from home, which has gradually stabilized the supply chain. In the second half of the year, the pandemic was relatively stable, and the slow automotive applications began to warm up. In addition, the global wafer shortage affected by the US-China technology war has led to the reorganization of the global supply chain, which has created new opportunities. PANJIT also gains in market share.

Corporate development

Core technologies:

In 2019, PANJIT's R&D team was established, focusing on wafer design and product development of high-power components MOSFET, IGBT, and SiC. It began to harvest in 2020. In addition to the third-generation semiconductor SiC Diode components, there are also IGBT manufacturers. The FRED power components that need to be matched were also listed in the same year. In addition, the machines for key 8-inch foundries are also in place one after another. These R&D resources invested by PANJIT are to establish the core technology of power components and meet the needs of future high-end applications.

Market planning:

The automotive application market under long-term cultivation has been growing year by year in recent years, whether it is the certification of PANJIT products by new automotive customers or the automotive certification passed by new products. In addition to the original products, to ensure that more solution possibilities can be provided to customers, PANJIT is also developing bridge and high-power product. Also, PANJIT joined the Mouser electronic platform in 2020. In the fourth quarter of 2020, in response to increased demand for consumer applications and automotive applications, the Board of Directors invested in expanding packaging products to meet future market demand.

Financial performance

In FY2020, consolidated operating revenue was NT$10.5 billion, and in 2020, consolidated gross profit was NT$2.45 billion. The Company's FY2020 consolidated operating profit was NT$990 million. Based on the above information, the earnings per share in 2020 is NT$2.70.
Regarding the cash dividend, the Board of Directors approved the distribution of NT$1.5 per share.

Future prospects

In the 35th year, from consumer applications to automotive applications and industrial applications. From traditional diode components to high-power component solutions, from wafer procurement to independent design and manufacturing, from local professionals to international talent recruitment. PANJIT has changed. In addition to the launch of the new SiC diode and independently designed FRED, we also continue to provide power components, MOSFETs and IGBTs, comparable to major international manufacturers. Original design products will be launched in the future.
As the above-mentioned enterprise development and planning, PANJIT continues to invest and develop in power semiconductors. We possess the core technology of wafer design and packaging, and testing technology. Our continued complete power component solutions meet market demand. And the link to market channels and brand marketing increases market share and product profitability for sustainable development.

PANJIT INTERNATIONAL INC.
Chairman: FANG, MIN-CHING
Managerial Officer: FANG, MIN-CHING
Accounting Supervisor: XIE, BAI-CHENG

Annex 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's FY2020 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for distribution of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit the Parent Company Only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members. According to relevant requirements of Article 43 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Please approve.

To 2021 Annual General Meeting of PANJIT INTERNATIONAL INC.

PANJIT INTERNATIONAL INC.
Audit Committee convener: CHEN, YI-CHENG
March 26, 2021

Comparison of provisions before and after the amendments to the "Code of Ethical Conduct" is as follows:

Article No.	Amended	Before amendments	Description
Article 2	Preventing conflicts of interest The Company's directors or managerial officers shall handle official duties objectively and efficiently. They shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, or relatives within their second parents. To prevent conflicts of interest, should the aforementioned personnel or their affiliated companies have capital loans with the Company, or guarantees provided, major asset transactions, purchase (sales) transactions, in addition to complying with the Company’s "Procedures for Lending Funds to Other Parties," "Procedures for Endorsement and Guarantee," "Procedures Governing the Acquisition and Disposal of Assets," and related operating procedures for procurement and supply, they should take the initiative to explain to the Board of Directors whether there is a potential conflict of interest with the Company.	Preventing conflicts of interest The Company's directors or managerial officers shall handle official duties objectively and efficiently. They shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, <u>parents, children</u> or relatives within their second parents. To prevent conflicts of interest, should the aforementioned personnel or their affiliated companies have capital loans with the Company, or guarantees provided, major asset transactions, purchase (sales) transactions, in addition to complying with the Company’s "Procedures for Lending Funds to Other Parties," "Procedures for Endorsement and Guarantee," "Procedures Governing the Acquisition and Disposal of Assets," and related operating procedures for procurement and supply, they should take the initiative to explain to the Board of Directors whether there is a potential conflict of interest with the	Revised based on the reference sample for " Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies."

Article No.	Amended	Before amendments	Description
		Company.	
Article 8	Encourage reporting of any illegal or ethical conduct. The Company should strengthen the promotion of ethical concepts, and encourage employees to report to the audit committee, managers, internal audit supervisors, or other appropriate personnel when they suspect or discover violations of laws, regulations, or ethical codes of conduct. To encourage employees to report violations, the Company has established a specific whistleblowing system that <u>allows anonymous whistleblowing</u> and informs employees that the Company will make every effort to protect the safety of <u>whistleblowers</u> from retaliation.	Encourage reporting of any illegal or ethical conduct. The Company should strengthen the promotion of ethical concepts, and encourage employees to report to the audit committee, managers, internal audit supervisors, or other appropriate personnel when they suspect or discover violations of laws, regulations, or ethical codes of conduct. To encourage employees to report violations, the Company has established a specific whistleblowing system and informs employees that the Company will make every effort to protect the safety of <u>reporter</u> from retaliation.	Revised based on the reference sample for " Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies."

Independent Auditor's Report

To: PANJIT International Inc.

Opinion

We have audited the Parent Company Only Balance Sheets of PANJIT International Inc. as of December 31, 2020, and 2019, the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2020, and 2019.

In our opinion, the aforementioned Parent Company Only Financial Statements present fairly, in all material respects, the financial position of PANJIT International Inc. as of December 31, 2020, and 2019, and its financial performance and cash flows for the annual periods ended December 31, 2020, and 2019.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. The CPA's obligations under these standards will be further explained in the paragraph of responsibility for the CPA to audit the Parent Company Only Financial Statements. We are independent of PANJIT International Inc. 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. The CPA believes that sufficient and appropriate evidences for the audit have been obtained as the basis for expressing opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the FY2020 of PANJIT International Inc., based on the professional judgment of the CPA. Such matters have been taken into account in audit of the overall Parent Company Only Financial Statements and have been considered to the formation of audit opinions, therefore the CPA is not giving any personal opinions on such key matters.

<u>Revenue Recognition</u>

PANJIT International Inc. recognized an operating income of NT$6,710,919 thousand in FY2020. The main source of income is the manufacture and sale of diode products. As its operating locations traverse the multi-national markets in the world and the combination of sales products and pricing methods are diversified, it requires judgment and determination of the performance obligations and the timing of their satisfaction, the CPA identified the recognition of client contract revenue as a key audit matter.

The audit procedures of this accountant include (but not limited to) assessing the appropriateness of accounting policies for revenue recognition, testing the effectiveness of internal control established by management for income recognition, including the identification of the integrity of the performance obligations in the customer contract and accounting treatment at the time of income recognition; analyzing the gross profit margin of products and departments; selecting a sample to perform a detailed test of the transaction and reviewing the major terms and conditions in the contract, testing general journal entries; performing the cut-off test, reviewing the relevant certificates of income transactions in the period before and after the asset and liability date to confirm that the income is recognized in the correct period, and reviewing the rationality of major sales returns and discounts after the period. In addition, the CPA also considers the appropriateness of the disclosure of operating income in Note 4 and Note 6 of the financial statements.

Valuation for Inventories

As of December 31, 2020, the net inventory of PANJIT International Inc. was NT$881,552 thousand, accounting for 6% of total assets, which is significant to the financial statements. The Company’s inventories are distributed in many countries and warehouses. Some warehouses are outsourced and have many inventory items, making it difficult to manage the status of inventory utilization. The aforementioned inventory is measured by the lower cost and net realizable value. The assessment involves the major accounting estimations and judgment of the management. Therefore, the CPA decides that inventory evaluation is a key audit item.

The audit procedures of this CPA include (but are not limited to) assessing the appropriateness of inventory evaluation accounting policies, testing the effectiveness of the internal control system established by the management for inventory, including the carry-forward of inventory costs, selecting major inventory locations, and observing inventory on the spot to confirm the quantity and status of the inventory. It also evaluates the net realizable value estimated by the management for inventory evaluation. It samples to check relevant certificates for testing the correct range of the inventory age and whether sufficient obsolescence loss is included, and evaluate the appropriateness of the policy. The CPA also considers the appropriateness of inventory disclosures in Note 4, 5, and 6 of the financial statements.

Responsibilities of Management and Those Charged with Governance for Parent Company only Financial Statements

It is the management's responsibility to fairly present the Parent Company Only Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and to avoid material misstatements due to fraud or errors therein.

Obligations of management also include the assessment of the Company's ability on going concern, the disclosure of relevant matters, and the adoption of the accounting base for going concern, when prepare the Parent Company Only Financial Statements, unless the management intends to proceed liquidation to PANJIT International Inc. or quitting concern, or has no other practical alternative solutions except for liquidation or closure.

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements

The CPA's 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 errors, and to issue the CPA audit report and opinion thereon. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements are considered material if, individually or in the aggregate, they may reasonably be expected to influence the economic decisions taken on the basis of these parent company only financial statements by users hereof.

When the CPA is auditing in accordance with generally accepted auditing standards, the CPA uses professional judgment and maintains professional suspicion. The CPA will also perform the following duties:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or errors, design and performing audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a solid basis for the CPA's professional opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the overriding of internal controls.

2. Obtain necessary understanding of internal controls relevant to the audit in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of PANJIT International Inc.

3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.

4. Make conclusions on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether any material uncertainty exists related to any events or conditions which might cast significant doubts on the Company's ability to continue as a going concern. If the CPA considers that there is material uncertainty in such events or circumstances, he shall, in the audit report, remind users of the Parent Company Only Financial Statements of the relevant disclosure of the Parent Company Only Financial Statements or amend the audit opinion where such disclosure is not appropriate. The CPA's conclusions are based on the audited evidence obtained as of the date of the audit report. However, future events or conditions may cause PANJIT International Inc. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the disclosures made therein) and whether the parent company only financial statements represent all the underlying transactions and events in a manner that achieves an objectively fair presentation.

6. Sufficient and appropriate audit evidences shall be obtained for the financial information of the constituent entities within PANJIT International Inc. to express opinions on the Parent Company Only Financial Statements. The CPA is responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

Items that have been communicated by the CPA to the governance bodies, including the planned scope and timing of the audit, as well as major audit findings (including significant internal control deficiencies identified during the audit.)

The CPA also provided the governing body the declaration of independence of the personnel subject to the codes of independence of the accounting firm which the CPA is affiliated with, have complied with the code of professional ethics of CPA, and communicated with the governing body all the relations and other matters that may be considered to affect the independence of the CPA (including relevant protective measures.)

From the matters communicated with the governing body, the CPA decided on the key audit items of the parent company only financial statements of PANJIT International Inc. in FY2020. The CPA has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the CPA decided not to communicate specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

Ernst & Young Taiwan

March 26, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English translation of Parent Company Only Financial Statements Originally issued in Chinese
PANJIT International Inc.
Parent Company Only Balance Sheet
December 31, 2020, and 2019
(Expressed in thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
Accounting Items	Notes	Amount	%	Amount	%
Current asset					
Cash and cash equivalents	(VI)1	$600,879	4	$235,093	2
Financial assets at fair value through profit or loss - current	(VI)2	6,347	0	91,911	1
Net notes receivable, net	(VI)4, 16	36,344	0	37,952	0
Net accounts receivable, net	(VI)5, 16	1,708,585	12	1,455,588	12
Net accounts receivable - related parties, net	(VI)5, 16 / (VII)	277,171	2	121,504	1
Other receivables	(VII)	52,505	0	29,490	0
Income tax assets in current period		-	-	111	0
Stock inventory	(VI)6	881,552	6	910,339	8
Other current assets	(VIII)	177,666	1	107,926	1
Total current assets		3,741,049	25	2,989,914	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	(VI)3	279,068	2	164,833	2
Investments accounted for using equity method	(VI)7	7,320,777	50	6,683,179	55
Property, Plant, and Equipment	(VI)8 / (VII) / (VIII)	2,524,877	17	1,892,469	16
Right-of-use assets	(VI)17	27,837	0	6,894	0
Intangible assets	(VI)9	77,792	1	51,975	0
Deferred income tax asset	(VI)21	267,315	2	290,905	2
Prepay for equipment		311,572	2	5,863	0
Other non-current assets, others		74,430	1	4,922	0
Total non-current assets		10,883,668	75	9,101,040	75
Total assets		$14,624,717	100	$12,090,954	100

Liabilities and Equities		December 31, 2020		December 31, 2019	
Accounting Items	Notes	Amount	%	Amount	%
Current Liabilities					
Short-term loan	(VI)10	$1,385,443	10	$1,989,732	16
Financial liabilities at fair value through profit or loss - current	(VI)11	2,822	0	102	0
Contractual liabilities - current	(VI)15	399	0	189	0
Accounts payable		457,354	3	412,274	3
Accounts payable - Related Parties	(VII)	313,750	2	240,292	2
Other payables	(VII)	1,547,413	11	434,965	4
Current tax liabilities	(VI)21	71,055	0	126,361	1
Lease liabilities - current	(VI)17	7,864	0	6,553	0
Other current liabilities - other		16,891	0	10,455	0
Total current liabilities		3,802,991	26	3,220,923	26
Non-current liabilities					
Long-term loan	(VI)12 / (VIII)	3,522,198	24	2,450,978	20
Deferred tax liabilities	(VI)21	71,920	0	72,360	1
Lease liabilities - non-current	(VI)17	20,033	0	401	0
Net defined benefit liability - non-current	(VI)13	102,713	1	97,103	1
Other non-current liabilities - others		5,441	0	494	0
Total non-current liabilities		3,722,305	25	2,621,336	22
Total liabilities		7,525,296	51	5,842,259	48
Equity					
Capital stock					
Common stock	(VI)14	3,328,149	23	3,328,149	28
Capital surplus	(VI)14	2,196,674	15	2,202,946	18
Retained earnings	(VI)14				
Legal surplus reserves		239,453	2	186,432	2
Special surplus reserves		717,237	5	525,032	4
Undistributed earnings		1,015,504	7	723,373	6
Total retained earnings		1,972,194	14	1,434,837	12
Other equities		(381,089)	(3)	(717,237)	(6)
Treasury stock	(VI)14	(16,507)	0	-	-
Total equity		7,099,421	49	6,248,695	52
Total liabilities and equity		$14,624,717	100	$12,090,954	100

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

English translation of Parent Company Only Financial Statements Originally issued in Chinese

PANJIT International Inc.

Parent Company Only Income Statement

For the years ended December 31, 2020 and 2019

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

Accounting items	Notes	2020		2019	
		Amount	%	Amount	%
Operating revenue	(VI)15 / (VII)	$6,710,919	100	$5,941,910	100
Operating cost	(VI)18 / (VII)	(5,375,874)	(80)	(4,731,153)	(79)
Gross profit		1,335,045	20	1,210,757	21
Less: Unrealized gain or loss of merchandise sales		(19,284)	(0)	(20,066)	(0)
Realized gain or loss on merchandise sales		20,066	0	18,422	0
Net gross profit		1,335,827	20	1,209,113	21
Operating expense	(VI)16, 18 / (VII)				
Selling expense		(395,712)	(6)	(327,144)	(6)
Administrative expense		(281,533)	(4)	(215,721)	(4)
Research and development costs		(164,151)	(2)	(123,402)	(2)
Expected credit impairment loss (gain)		(641)	0	2,092	0
Total Operating Expense		(842,037)	(12)	(664,175)	(12)
Operating profit		493,790	8	544,938	9
Non-operating income and expenditure	(VI)19				
Interest earned		6,232	0	7,387	0
Other revenues		22,978	0	11,460	0
Other gain or loss		(44,868)	(1)	(16,761)	(0)
Financial cost		(54,657)	(1)	(55,663)	(1)
Proportion of gain or loss from subsidiaries and associates recognized by equity method	(VI)7	519,949	8	119,450	2
Total non-operating income and expenditure		449,634	6	65,873	1
Profit before tax		943,424	14	610,811	10
Income tax (expense)	(VI)21	(45,989)	(1)	(80,602)	(1)
Net income of continuing operations		897,435	13	530,209	9
Net income		897,435	13	530,209	9
Other comprehensive income (net amount)	(VI)20				
Items that may not be reclassified subsequently to gain or loss					
Remeasurement of defined benefit plan		(6,480)	(0)	(6,274)	(0)
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income		377,126	5	(27,562)	(0)
Income tax relating to items that will not be reclassified		(12,825)	(0)	2,159	0
Items that may be reclassified subsequently to gain or loss					
Exchange differences on translation of foreign financial statements		(31,085)	(0)	(203,107)	(3)
Income tax expenses (gains) related to items that may be reclassified subsequently to gain or loss:		2,426	0	37,606	1
Other comprehensive income of the current period (net after tax)		329,162	5	(197,178)	(2)
Total comprehensive income		$1,226,597	18	$333,031	7
Earnings per share (NT$)					
Basic earnings per share	(VI)22	$2.70		$1.50	
Diluted earnings per share	(VI)22	$2.69		$1.50	

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

English translation of Parent Company Only Financial Statements Originally issued in Chinese

PANJIT International Inc.

Parent Company Only Statement of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

	Capital		Retained earnings			Other equity interest				
Items	Common Stock	Capital surplus	Legal surplus reserves	Special surplus reserves	Undistributed earnings (losses to be offset)	Exchange differences on translation of foreign financial statements	Unrealized gain or loss of financial assets at fair value through other comprehensive income	Others	Treasury stock	Total Equities
Balance as of January 1, 2019	$3,697,944	$2,196,674	$108,104	$254,865	$783,283	($475,123)	($49,075)	($834)	$-	$6,515,838
Earnings allocation and distribution										
Legal surplus reserves recognized			78,328		(78,328)					-
Special surplus reserves				270,167	(270,167)					-
Cash dividends on ordinary shares					(184,897)					(184,897)
Changes in associates recognized by equity method		489			(33,270)			153		(32,628)
Net profit in FY2019					530,209					530,209
Other comprehensive income in FY2019					(4,761)	(165,501)	(26,916)			(197,178)
Total comprehensive income	-	-	-	-	525,448	(165,501)	(26,916)	-	-	333,031
Cash capital reduction	(369,795)									(369,795)
Changes of ownership equities of subsidiaries		5,783			(17,404)			59		(11,562)
Disposal of equity instruments at fair value through other comprehensive income					(1,292)					(1,292)
Balance as of December 31, 2019	$3,328,149	$2,202,946	$186,432	$525,032	$723,373	($640,624)	($75,991)	($622)	$-	$6,248,695
Balance as of January 1, 2020	$3,328,149	$2,202,946	$186,432	$525,032	$723,373	($640,624)	($75,991)	($622)	$-	$6,248,695
Earnings allocation and distribution										
Legal surplus reserves recognized			53,021		(53,021)					-
Special surplus reserves				192,205	(192,205)					-
Cash dividends on ordinary shares					(349,456)					(349,456)
Changes in associates recognized by equity method		(489)			(154)			209		(434)
Net profit in FY2020					897,435					897,435
Other comprehensive income in FY2020					(5,087)	(28,659)	362,908			329,162
Total comprehensive income	-	-	-	-	892,348	(28,659)	362,908	-	-	1,226,597
Redemption of treasury stocks									(16,507)	(16,507)
Difference between the price received from acquisition or disposal of interest in subsidiaries and carrying amount		(8,489)								(8,489)
Changes of ownership equities of subsidiaries		2,706			(3,691)					(985)
Disposal of equity instruments at fair value through other comprehensive income					(1,690)		1,690			-
Others										-
Balance as of December 31, 2020	$3,328,149	$2,196,674	$239,453	$717,237	$1,015,504	($669,283)	$288,607	($413)	($16,507)	$7,099,421

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

English translation of Parent Company Only Financial Statements Originally issued in Chinese

PANJIT International Inc.

Parent Company Only Cash Flow Statement

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

Items	2020	2019
	Amount	Amount
Cash flow from operating activities		
Pre-tax net profit of continuing operations	$943,424	$610,811
Adjustment items:		
Revenue and expenses		
Depreciation expense	303,222	409,112
Amortization expense	36,204	23,068
Expected credit impairment loss (gain)	641	(2,092)
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	777	(19,267)
Interest expense	54,657	55,663
Interest earned	(6,232)	(7,388)
Dividend income	(7,404)	(5,074)
Proportion of loss from subsidiaries and associates recognized by equity method	(519,949)	(119,450)
Loss (gain) from disposal and scrapping of property, plant, and equipment	1,516	(3,307)
Disposal of investments (gain)	-	(142)
Non-financial asset impairment loss	-	7,420
Reversal gain of impairment on financial assets	(1,964)	-
Unrealized sales profit	19,284	20,066
Realized merchandise sales (gain)	(20,066)	(18,422)
All Others	(12,211)	56,131
Total revenue and expenses	(151,525)	396,318
Changes in assets/liabilities related to operating activities:		
Net changes in assets of operating activities		
Decrease (increase) in acquisition of financial assets at fair value through profit or loss	87,505	(75,028)
Decrease in notes receivable	1,608	2,531
(Increase) decrease in accounts receivable	(253,638)	262,000
Decrease (increase) in accounts payable - related parties	(155,667)	75,680
Other receivables (increase)	(23,105)	(7,956)
Other receivables - decrease in related parties	90	68,451
Decrease in inventories	44,831	151,169
Other current assets (increase)	(69,740)	(17,750)
Net changes in liabilities related to operating activities		
Increase (decrease) in contract liability	210	(1,849)
Increase (decrease) in accounts payable	45,080	(166,140)
Increase (decrease) in accounts payable - related parties	73,458	(249,238)
Increase (decrease) in other payables	159,362	(140,100)
Increase (decrease) in other current liabilities	6,436	(423)
Net defined benefit liability (decrease)	(1,357)	(2,983)
Total net changes in assets and liabilities related to operating activities	(84,927)	(101,636)
Cash inflow from operations	706,972	905,493
Interest received	6,232	7,388
Income tax (paid)	(88,433)	(537)
Net cash generated by operating activities	624,771	912,344
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(25,000)	(25,000)
Disposal of financial assets at fair value through other comprehensive income	4,437	2,019
Investments acquired by equity method	(15,813)	(657,540)
Acquisition of property, plant, and equipment	(210,494)	(468,580)
Disposal of property, plant, and equipment	291	38,087
Increase in refundable deposit	(69,508)	(255)
Acquisition of intangible assets	(25,099)	(30,593)
Increase in prepay for equipment	(959,642)	(11,327)
Dividends received	149,300	5,074
Net cash (outflow) from investing activities	(1,151,528)	(1,148,115)
Cash flows from financing activities:		
Increase (decrease) in short loan	(604,289)	460,935
Increase in long-term loan	8,331,560	260,500
Repayment of long-term loan	(7,264,173)	-
Increase in other payables - related parties	854,400	-
Repayment of lease principal	(9,245)	(8,410)
Increase in other non-current liabilities	4,947	-
Cash dividends distributed	(349,456)	(184,897)
Cash capital reduction	-	(369,795)
Buyback cost of treasury stocks	(16,507)	-
Interest paid	(54,694)	(56,377)
Net cash inflow from investment activities	892,543	101,956
Net increase (decrease) in cash and cash equivalents	365,786	(133,815)
Opening cash and cash equivalents	235,093	368,908
Closing cash and cash equivalents	$600,879	$235,093

(The accompanying notes are an integral part of the parent company only financial statement.)

Independent Auditor's Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the Consolidated Balance Sheets of PANJIT International Inc. and Subsidiaries as of December 31, 2020, and 2019, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 01 to December 31, 2020, and 2019.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of PANJIT International Inc. and Subsidiaries as of December 31, 2020, and 2019, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2020, and 2019 in conformity with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. We affirm our responsibilities under those standards as further described in the Auditors' Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the PANJIT International Inc. and Subsidiaries 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. The CPA believes that sufficient and appropriate evidences for the audit have been obtained as the basis for expressing opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Consolidated Financial Statements of FY2020 of PANJIT International Inc., and Subsidiaries based on the professional judgment of the CPA. These matters have been dealt with in the process of auditing the overall consolidated financial report and forming a review opinion. the CPA does not express separate opinions on these matters.

Revenue Recognition

PANJIT International Inc. and Subsidiaries recognized a consolidated operating income of NT$10,485,100 thousand in FY2020. The main source of income is the manufacture and sale of diode products. As its operating locations traverse the multi-national markets in the world and the combination of sales products and pricing methods are diversified, it requires judgment and determination of the performance obligations and the timing of their satisfaction, the CPA identified the recognition of client contract revenue as a key audit matter.

The audit procedures of this accountant include (but not limited to) assessing the appropriateness of accounting policies for revenue recognition, testing the effectiveness of internal control established by management for income recognition, including the identification of the integrity of the performance obligations in the customer contract and accounting treatment at the time of income recognition; analyzing the gross profit margin of products and departments; selecting a sample to perform a detailed test of the transaction and reviewing the major terms and conditions in the contract, testing general journal entries; performing the cut-off test, reviewing the relevant certificates of income transactions in the period before and after the asset and liability date to confirm that the income is recognized in the correct period, and reviewing the rationality of major sales In addition, the CPA also considers the appropriateness of the disclosure of operating income in Note 4 and Note 6 of the financial statements.

Valuation for Inventories

As of December 31, 2020, the net inventory of PANJIT International Inc. and Subsidiaries was NT$1,614,459 thousand, accounting for 9% of total consolidated assets, which is significant to the financial statements. The Group’s inventories are distributed in many countries and warehouses. Some warehouses are outsourced and have many inventory items, making it difficult to manage the status of inventory utilization. The aforementioned inventory is measured by the lower cost and net realizable value. The assessment involves the major accounting estimations and judgment of the management. Therefore, the CPA decides that inventory evaluation is a key audit item.

The audit procedures of this CPA include (but are not limited to) assessing the appropriateness of inventory evaluation accounting policies, testing the effectiveness of the internal control system established by the management for inventory, including the carry-forward of inventory costs, selecting major inventory locations, and observing inventory on the spot to confirm the quantity and status of the inventory. It also evaluates the net realizable value estimated by the management for inventory evaluation. It samples to check relevant certificates for testing the correct range of the inventory age and whether sufficient obsolescence loss is included, and evaluate the appropriateness of the policy. The CPA also considers the appropriateness of inventory disclosures in Note 4, 5, and 6 of the financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The responsibilities of management are to prepare an appropriately expressed consolidated financial report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and standing interpretation recognized and published by the Financial Supervisory Commission, and maintain the necessary internal controls related to the preparation of the consolidated financial statements to ensure that the consolidated financial report does not contain significant misrepresentation due to fraud or error.

Obligations of management also include the assessment of the Group ‘s ability on going concern, the disclosure of relevant matters, and the adoption of the accounting base for going concern, when prepare the Consolidated Financial Statements, unless the management intends to proceed liquidation to PANJIT International Inc. and Subsidiaries or quitting concern, or has no other practical alternative solutions except for liquidation or closure.

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

Auditor’s Responsibilities for the Audit of the Parent Consolidated Financial Statements

The CPAs’ 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 errors, and to issue the CPAs’ audit report and opinion thereon. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement in consolidated financial statements when it exists. Misstatement may be caused by fraud or error. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

When the CPA is auditing in accordance with generally accepted auditing standards, the CPA uses professional judgment and maintains professional suspicion. The CPA will also perform the following duties:

1. Identify and assess the risks of material misstatements of the consolidated financial statements resulting from fraud or errors, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a solid basis for the auditors’ professional opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the overriding of internal controls.

2. Obtain necessary understanding of internal controls relevant to the audit in order to design appropriate audit procedures in the circumstances, but the purpose is not to express an opinion on the effectiveness of internal controls of PANJIT International Inc. and Subsidiaries.

3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.

4. Conclude on the appropriateness of the 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 the CPA conclude that a material uncertainty exists, the CPA is required to draw attention to these in the audit report and to the related disclosures in the consolidated financial statements or, if such disclosures appear inadequate, to modify our professional opinion based thereon
   . The CPA's conclusions are based on the audited evidence obtained as of the date of the audit report. However, future events or conditions may cause the PANJIT International Inc. and Subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures made therein, and whether the consolidated financial statements represent all the underlying transactions and events in a manner that achieves an objectively fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or operating activities within the Group to express our professional opinion on the consolidated financial statements. The CPA is responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

Items that have been communicated by the CPA to the governance bodies, including the planned scope and timing of the audit, as well as major audit findings (including significant internal control deficiencies identified during the audit.)

The CPA also provided the governing body the declaration of independence of the personnel subject to the codes of independence of the accounting firm which the CPA is affiliated with, have complied with the code of professional ethics of CPA, and communicated with the governing body all the relations and other matters that may be considered to affect the independence of the CPA (including relevant protective measures.)

From the matters communicated with the governing body, the CPA determined the key matters for the Consolidated Financial statement audit of PANJIT International Inc. and Subsidiaries in FY2020. The CPA has stated those items in the audit report unless the law does not allow public disclosure of certain matters, or under extreme rare cases, the CPA decided not to communicate specific matters in the audit report because it can reasonably assume the negative impact of communication is greater than the promoted public interest.

Others

PANJIT International Inc. has also compiled Parent Company Only Financial Statements for FY2020 and FY2019, and they have also received an unqualified audit opinion from our CPA for your reference.

Ernst & Young Taiwan
March 26, 2021

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English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019	
Accounting Items	Notes	Amount	%	Amount	%
Current asset					
Cash and cash equivalents	(VI)1	$1,947,779	11	$1,131,522	7
Financial assets at fair value through profit or loss - current	(VI)2	1,460,640	8	1,410,989	9
Net notes receivable, net	(VI)5, 20	368,096	2	484,044	3
Net accounts receivable, net	(VI)6, 20	3,443,558	20	2,904,296	19
Net accounts receivable - related parties, net	(VI)6, 20 / (VII)	58,720	0	42,042	0
Other receivables		197,406	1	417,009	3
Other receivable payment - related parties	(VII)	39,245	0	31,094	0
Stock inventory	(VI)7	1,614,459	9	1,638,227	11
Prepay		482,799	3	335,241	2
Other current assets	(VIII)	89,572	1	82,675	1
Total current assets		9,702,274	55	8,477,139	55
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	(VI)3	1,171,947	7	785,516	5
Financial assets measured at amortized cost - Non-current	(VI)4	136,939	1	334,482	2
Investments accounted for using equity method	(VI)8	393,508	2	421,218	3
Property, Plant, and Equipment	(VI)9 / (VII) / (VIII)	3,691,739	21	3,165,965	21
Right-of-use assets	(VI)21	1,348,980	8	1,349,181	9
Intangible assets	(VI)10, 11	253,937	1	328,967	2
Deferred income tax asset	(VI)25	404,907	2	408,628	3
Prepay for equipment		516,501	3	64,463	0
Refundable deposit		117,538	0	47,922	0
Other non-current assets, others		19,748	0	38,615	0
Total non-current assets		8,055,744	45	6,944,957	45
Total assets		$17,758,018	100	$15,422,096	100

Liabilities and Equities		December 31, 2020		December 31, 2019	
Accounting Items	Notes	Amount	%	Amount	%
Current Liabilities					
Short-term loan	(VI)12 / (VIII)	$1,898,733	11	$2,195,201	14
Financial liabilities at fair value through profit or loss - current	(VI)13	2,925	0	102	0
Contractual liabilities - current	(VI)19	12,772	0	112,614	1
Notes payable	(VI)14	556,694	3	515,112	3
Accounts payable		1,399,977	8	1,190,243	8
Accounts Payable - Related Parties	(VII)	99,114	0	55,001	1
Other payables		1,086,400	6	715,349	5
Other payables - related parties	(VII)	39,921	0	39,264	0
Current tax liabilities	(VI)25	110,147	1	143,599	1
Lease liabilities - current	(VI)21	35,583	0	31,251	0
Other current liabilities - other		26,470	0	46,457	0
Total current liabilities		5,268,736	29	5,044,193	33
Non-current liabilities					
Long-term loan	(VI)16 / (VIII)	4,643,731	26	3,411,195	22
Deferred tax liabilities	(VI)25	72,620	0	74,557	0
Lease liabilities - non-current	(VI)21	202,441	1	190,326	1
Long-term deferred revenue	(VI)15	100,701	1	124,062	1
Net defined benefit liability - non-current	(VI)17	113,342	1	108,601	1
Other non-current liabilities - others		109,715	1	95,291	1
Total non-current liabilities		5,242,550	30	4,004,032	26
Total liabilities		10,511,286	59	9,048,225	59
Equity attributable to owners of parent company					
Capital stock					
Common stock	(VI)18	3,328,149	19	3,328,149	22
Capital surplus	(VI)18	2,196,674	12	2,202,946	14
Retained earnings	(VI)18				
Legal surplus reserves		239,453	1	186,432	1
Special surplus reserves		717,237	4	525,032	3
Undistributed earnings		1,015,504	6	723,373	5
Total retained earnings		1,972,194	11	1,434,837	9
Other equities		(381,089)	(2)	(717,237)	(5)
Treasury stock		(16,507)	0	0	0
Equity attributable to owners of the parent company		7,099,421	40	6,248,695	40
Non-controlling interests	(VI)18	147,311	1	125,176	1
Total equity		7,246,732	41	6,373,871	41
Total liabilities and equity		$17,758,018	100	$15,422,096	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

Accounting items	Notes	2020 Amount	2020 %	2019 Amount	2019 %
Operating revenue	(VI)19 / (VII)	$10,485,100	100	$9,142,650	100
Operating cost	(VI)7, 22 / (VII)	(8,038,328)	(77)	(7,221,040)	(79)
Gross profit		2,446,772	23	1,921,610	21
Operating expense	(VI)20, 21, 22				
Selling expense		(540,392)	(5)	(490,098)	(5)
Administrative expense		(568,569)	(5)	(522,167)	(6)
Research and development costs		(348,046)	(3)	(291,669)	(3)
Anticipated credit diminished loss	(VI)20	2,318	0	10,734	0
Total Operating Expense		(1,454,689)	(13)	(1,293,200)	(14)
Operating Profit		992,083	10	628,410	7
Non-operating income and expenditure	(VI)23				
Interest earned		99,152	1	50,090	0
Other revenues	(VII)	141,748	1	127,234	2
Other gain or loss		(95,470)	(1)	(100,740)	(1)
Financial cost		(80,754)	(1)	(84,611)	(1)
The proportion of gain or loss of associates recognized by equity method	(VI)8	(25,625)	(0)	(19,811)	(0)
Total non-operating income and expenditure		39,051	(0)	(27,838)	(0)
Profit before tax		1,031,134	10	600,572	7
Income tax (expense)	(VI)25	(130,593)	(1)	(97,560)	(1)
Net income of continuing operations		900,541	9	503,012	6
Net income		900,541	9	503,012	6
Other Comprehensive Income	(VI)24				
Items that may not be reclassified subsequently to gain or loss					
Remeasurement of defined benefit plan		(6,505)	(0)	(5,943)	(0)
Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income		394,573	4	(35,665)	(0)
Income tax relating to items that will not be reclassified	(VI)25	(12,800)	0	1,892	0
Items that may be reclassified subsequently to gain or loss					
Exchange differences on translation of foreign financial statements		(31,765)	(1)	(208,073)	(2)
Income tax expenses (gains) related to items that may be reclassified subsequently to gain or loss:	(VI)25	5,285	0	38,581	0
Other comprehensive income of the current period (net after tax)		348,788	3	(209,208)	(2)
Total comprehensive income		$1,249,329	12	$293,804	4
Net Income Attributable to:					
Owners of the parent company		$897,435	9	$530,209	6
Non-controlling interests		3,106	(0)	(27,197)	(0)
		$900,541	9	$503,012	6
Total comprehensive income attributable to:					
Owners of the parent company		$1,226,597	12	$333,031	4
Non-controlling interests		22,732	0	(39,227)	(0)
		$1,249,329	12	$293,804	4
Earnings per share (NT$)	(VI)26				
Basic earnings per share:		$2.70		$1.50	
Diluted earnings per share		$2.69		$1.50	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

	Equity attributable to owners of parent company											
	Capital		Retained earnings			Other equity interest						
Items	Common Stock	Capital surplus	Legal surplus reserves	Special surplus reserves	Undistributed earnings (losses to be offset)	Exchange differences on translation of foreign financial statements	Unrealized gain or loss of financial assets at fair value through other comprehensive income	Others	Treasury stock	Total owner equity attributable to the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2019	$3,697,944	$2,196,674	$108,104	$254,865	$783,283	($475,123)	($49,075)	($834)	$-	$6,515,838	$166,696	$6,682,534
Earnings allocation and distribution												
Legal surplus reserves recognized			78,328		(78,328)					-		-
Special surplus reserves				270,167	(270,167)					-		-
Cash dividends on ordinary shares					(184,897)					(184,897)		(184,897)
Changes in associates recognized by equity method		489			(33,270)			153		(32,628)	15	(32,613)
Net profit in FY2019					530,209					530,209	(27,197)	503,012
Other comprehensive income in FY2019					(4,761)	(165,501)	(26,916)			(197,178)	(12,030)	(209,208)
Total comprehesive income in FY2019	-	-	-	-	525,448	(165,501)	(26,916)	-	-	333,031	(39,227)	293,804
Cash capital reduction	(369,795)									(369,795)		(369,795)
Difference between the price received from acquisition or disposal of interest in subsidiaries and carrying amount										-	(797)	(797)
Changes of ownership equities of subsidiaries		5,783			(17,404)			59		(11,562)	(1,511)	(13,073)
Disposal of equity instruments at fair value through other comprehensive income					(1,292)					(1,292)		(1,292)
Balance as of December 31, 2019	$3,328,149	$2,202,946	$186,432	$525,032	$723,373	($640,624)	($75,991)	($622)	$-	$6,248,695	$125,176	$6,373,871
Balance as of January 1, 2020	$3,328,149	$2,202,946	$186,432	$525,032	$723,373	($640,624)	($75,991)	($622)	$-	$6,248,695	$125,176	$6,373,871
Earnings allocation and distribution												
Legal surplus reserves recognized			53,021		(53,021)					-		-
Special surplus reserves				192,205	(192,205)					-		-
Cash dividends on ordinary shares					(349,456)					(349,456)		(349,456)
Changes in associates recognized by equity method		(489)			(154)			209		(434)	(73)	(507)
Net profit in FY2020					897,435					897,435	3,106	900,541
Other comprehensive income in FY2020					(5,087)	(28,659)	362,908			329,162	19,626	348,788
Total comprehensive income	-	-	-	-	892,348	(28,659)	362,908	-	-	1,226,597	22,732	1,249,329
Redemption of treasury stocks									(16,507)	(16,507)	-	(16,507)
Difference between the price received from acquisition or disposal of interest in subsidiaries and carrying amount		(8,489)								(8,489)	7,501	(988)
Changes of ownership equities of subsidiaries		2,706			(3,691)					(985)	66	(919)
Change in non-controlling equities										-	(8,094)	(8,094)
Disposal of equity instruments at fair value through other comprehensive income					(1,690)		1,690			-		-
Others										-	3	3
Balance as of December 31, 2020	$3,328,149	$2,196,674	$239,453	$717,237	$1,015,504	($669,283)	$288,607	($413)	($16,507)	$7,099,421	$147,311	$7,246,732

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

Items	2020 Amount	2019 Amount
Cash flow from operating activities		
Profit before tax for the current period	$1,031,134	$600,572
Adjustment items:		
Revenue and expenses		
Depreciation expense	636,673	808,515
Amortization expense	51,445	44,634
Expected credit impairment loss (gain)	(2,318)	(10,734)
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	(12,422)	(13,097)
Interest expense	80,754	84,611
Interest earned	(99,152)	(50,090)
Dividend income	(11,262)	(16,286)
The shares of associates recognized by equity method	25,625	19,811
Loss (gain) from disposal of property, plant, and equipment	15,554	(52,730)
Disposal of investments (gain)	(2,663)	(27)
Non-financial asset impairment loss	43,331	7,479
All Others	(26,720)	54,703
Total revenue and expenses	698,845	876,789
Changes in assets/liabilities related to operating activities:		
Net changes in assets of operating activities		
Decrease (increase) in acquisition of financial assets at fair value through profit or loss	(49,140)	(1,279,758)
Decrease (increase) in notes receivable	112,484	(213,527)
(Increase) decrease in accounts receivable	(467,468)	376,183
(Increase) in accounts payable - related parties	(16,678)	(6,917)
Other accounts receivable decreased (increased)	219,339	(105,965)
(Increase) in other receivable payment - related parties	(8,151)	(5,836)
Decrease in inventories	21,153	241,302
Advance payment (increase) decrease	(147,790)	77,883
Other current assets (increase)	(6,897)	(18,620)
Net changes in liabilities related to operating activities		
Increase (decrease) in contract liabilities	(30,689)	27,026
Increase in notes receivable	41,582	422,554
Increase (decrease) in accounts payable	214,567	(140,594)
Increase (decrease) in accounts payable - related parties	44,113	(7,208)
Increase (decrease) in other payables	201,314	(124,428)
Increase (decrease) in other current liabilities	(19,987)	29,846
Net defined benefit liability (decrease)	(2,226)	(5,182)
Increase in deferred credits	2,155	-
Total net changes in assets and liabilities related to operating activities	107,681	(733,241)
Cash inflow from operations	1,837,660	744,120
Interest received	99,152	50,090
Income tax (paid)	(160,750)	(52,241)
Net cash generated by operating activities	1,776,062	741,969
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(25,000)	(25,000)
Disposal of financial assets at fair value through other comprehensive income	27,580	2,019
Acquisition of financial assets measured in terms of amortized cost	(179,951)	(162,282)
Disposal of financial assets measured at amortized cost	378,288	-
Disposal of investments under the equity method	4,676	-
Disposal of subsidiaries	288	-
Acquisition of property, plant, and equipment	(340,776)	(369,377)
Disposal of property, plant, and equipment	40,145	104,884
Increase in refundable deposit	(69,616)	-
Decrease in refundable deposits	-	2,499
Acquisition of intangible assets	(31,286)	(53,397)
Disposal of intangible assets	-	3,842
Increase in other non-current assets	18,692	(25,722)
Increase in prepay for equipment	(1,106,283)	(86,350)
Dividends received	11,262	16,286
Net cash (outflow) from investing activities	(1,271,981)	(592,598)
Cash flows from financing activities:		
Decrease in short-term loans	(296,468)	(73,334)
Increase in long-term loan	1,281,617	250,108
Repayment of lease principal	(42,854)	(37,696)
Increase in other non-current liabilities	14,424	28,231
Cash dividends distributed	(349,456)	(184,897)
Cash capital reduction	-	(369,795)
Buyback cost of treasury stocks	(16,507)	-
Acquisition of shares of subsidiaries	(5,436)	(797)
Interest paid	(74,441)	(78,519)
Change in non-controlling equities	(805)	-
Net cash inflow (outflow) from financing activities	510,074	(466,699)
Effect of exchange rate volatility on cash and cash equivalents	(197,898)	(110,773)
Net increase (decrease) in cash and cash equivalents	816,257	(428,101)
Opening cash and cash equivalents	1,131,522	1,559,623
Closing cash and cash equivalents	$1,947,779	$1,131,522

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

Annex 6

PANJIT INTERNATIONAL INC.

FY2020 Earnings Distribution Chart

Unit: NT$

Items	Amount		Remark
	Subtotals	Total	
Opening undistributed earnings		$ 128,690,629	
LESS: Changes of equities in subsidiary ownership	(3,844,069)		
Disposal of investments in equity instruments at fair value through other comprehensive income	(1,690,166)		
FY2020 Other comprehensive Income (Re-measurement of Defined Benefit Plan)	(5,086,731)	(10,620,966)	
PLUS: Net Income	897,434,464	897,434,464	
Earnings available for distribution		1,015,504,127	
LESS: Appropriated for legal reserve	(88,681,350)		
Items for Distribution:			
Shareholder bonus - cash (NT$1.5 per share)	(498,172,391)	(586,853,741)	
Ending undistributed earnings		$428,650,386	

Note: 1.The legal reserve is set out in accordance with the MOEA letter No. 10802432410 dated January 9, 2020, and calcuated based on "the net profit for the current period plus items other than the net profit for the current period shall be included in the current year's undistributed earnings."

2. Based on the number of issued shares as of March 17, 2021, 332,814,927 shares, excluding 700,000 treasury shares, the distribution of NT$1.5 per share is calculated. The amount of dividend distribution to shareholders is calculated as follows: NT$1.5 x 332,114,927 shares = NT$498,172,391

Chairman: FANG, MIN-CHING

Managerial Officer: FANG, MIN-CHING

Accounting Supervisor: XIE, BAI-CHENG

Comparison of provisions before and after the amendments to the "Rules of Procedures for Shareholders Meetings” is as follows:

Article No.	Amended	Before amendments	Description
Article 3	(Notice of convening and meeting of the shareholders meeting) Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors. Thirty days before the Company convenes a regular shareholders meeting or 15 days before a special shareholders meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders meeting agenda, and upload them to the Market Observation Post System. Twenty-one days before the Company is to convene an ordinary shareholders meeting, or 15 days before it convenes an extraordinary shareholders meeting, it shall prepare an electronic file of the shareholders meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. Fifteen days before the	(Notice of convening and meeting of the shareholders meeting) Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors. For the convening of the regular shareholders meeting, a meeting Manual shall be prepared, and the shareholders shall be notified 30 days before. For shareholders holding less than 1,000 registered shares, they may enter the public information observing station announcement before 30 days; temporary shareholders meeting All shareholders shall be notified 15 days before the convening. Shareholders holding less than 1,000 shares of registered stocks may go to the Market Observation Post System for the announcement 15 days before. The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically. For appointment or dismissal of directors, change	Revised based on the sample template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Article No.	Amended	Before amendments	Description
	Company is to convene a shareholders meeting, it shall prepare the shareholders meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting. The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically. For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the main content should be listed and explained in the reason for convening. Provisional motions shall not be	of Articles of Association, capital reduction, application for suspension of public offerings, directors' competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal. The main content can be placed on the website designated by the securities authority or the Company, and its website should be stated in the notice. The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means. Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders	

Article No.	Amended	Before amendments	Description
	allowed for the proposal. The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means. Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. <u>Shareholders may submit proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item following the relevant provisions of Article 172 of the Company Act. The number of proposals is limited to one. Additional proposals shall not be included in the agenda.</u>	meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. <u>However, if the shareholders propose to urge the Company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the proposal.</u> When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general	

Article No.	Amended	Before amendments	Description
	Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal. The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	meeting and take part in discussion of the proposal. The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	

Article No.	Amended	Before amendments	Description
Article 8	(Record of audio and video recording of shareholders meetings) The Company shall record the shareholders meetings by audio and video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.	(Record of audio or video recording of shareholders meetings) The Company shall record the shareholders meetings by audio or video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.	Revised based on the sample template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings
Article 9	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 or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically. The chair shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present shall be announced. 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,	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 or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically. 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	Revised based on the sample template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Article No.	Amended	Before amendments	Description
	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 Paragraph 1, Article 175 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 termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.	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 Paragraph 1, Article 175 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 termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.	
Article 12	(Calculation of voting shares and recusal system) Voting at a shareholders meeting shall be calculated based the number of shares.	(Calculation of voting shares and recusal system) Voting at a shareholders meeting shall be calculated based the number of shares.	Corrected typographical errors

Article No.	Amended	Before amendments	Description
	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 the Company, 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 <u>rights</u> 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 stock affair 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% of the voting rights represented by the total number of issued shares. If it exceeds, the voting rights in excess of 3% shall not be included in the calculation.	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 the Company, 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 <u>rihts</u> 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 stock affair 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% of the voting rights represented by the total number of issued shares. If it exceeds, the	

Article No.	Amended	Before amendments	Description
		voting rights in excess of 3% shall not be included in the calculation.	
Article 14	(Elections) The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately<u>, including the names of those elected as Directors and the numbers of voting rights with which they were elected</u>. 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 termination of the litigation.	(Elections) The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company, 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 termination of the litigation.	Revised based on the sample template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Annex 8

PANJIT International Inc.

2021 Regulations Governing the Issuance of Restricted Stock Awards

Article 1: Purpose

To attract and retain key talents to achieve the Company's medium and long-term goals, the Company hopes to motivate employees all out to achieve the Company's operating targets, to generate higher benefits for the Company and shareholders, and to ensure that the interests of the Company's employees are synchronized with the interests of shareholders. The Company formulates the rules of new restricted share for employees (hereinafter referred to as "the rules"), according to Provision 9, Article 267 of the Company Act and the relevant regulations of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Issuance Regulations") by the Financial Supervisory Commission.

Article 2: Period

Within one year from the date of the arrival of the effective notification of the declaration by the competent authority, one or several issuances can be decided as required. The actual issuance date shall be determined by the Chairman authorized by the Board of Directors.

Article 3: Conditions

1.Issuance price: free, the issuance price per share is NT$0.

2.The types of shares issued and given to employees are new common shares. Their rights and obligations are the same as other common shares that are tradable except for the rights and obligations that are restricted before the acquired conditions per Article 6 are met.

3.Vesting Conditions

(1)After employees are allocated restricted stock awards, if they are still working for the Company on each vested day, and during the period, it is recognized by the Company that they have not violated the Company’s labor contract, employee code of conduct, deed of trust, corporate governance code of practice, integrity management code, work rules, non-competition and confidentiality code, or agreement with the Company, etc., and achieve the individual performance indicators and the Company's business targets set by the Company, the vesting ratios on the vested days in each year are as follows:

1-1. One full year after: 20%

1-2. Two full years after: 20%

1-3. Three full years after: 20%

1-4. Four full years after: 20%

1-5. Five full years after: 20%

(2)Individual performance indicators:

According to the Company's performance appraisal ratings, the performance appraisal in the most recent year after the vesting period is A (inclusive) or above. For strategic key employees, the aforementioned performance appraisal must reach A+.

(3)Corporate business targets

Operating revenue and operating margin shall be performance indicators. The targets of each indicator are as follows, and both targets must be achieved simultaneously. Determination of reaching targets is based on the consolidated financial statements verified by CPA in the most recent year of the vested period.

Qualify date (Granted date)	Operating revenue comparing to previous period Internal targets on business growth rate	Operating margin
One full year after	13% or above	11.0% or above
Two full years after	20% or above	11.5% or above
Three full years after	18% or above	12.0% or above
Four full years after	17% or above	12.5% or above
Five full years after	20% or above	13.0% or above

4.Methods for the employee's failure meeting the vesting conditions:

(1) After the employee is allocated restricted stock awards, in case of not working for the Company any more on a vested day, violating the circumstances listed in the first paragraph of Article 3, paragraph 3, and failing to achieve the individual performance indicators set by the Company and the Company's operating targets, the restricted stock awards of which the acquired conditions have not fulfilled shall be

recovered and canceled without compensation.

(2)During the vesting period, if an employee voluntarily resigns, dismisses, or accepts layoff, the Company will recover and cancel the shares that have not been acquired.

5.When the following reasons occur, restricted stock awards that have not yet acquired shall be handled in the following manner:

(1)Resignation, layoff for incompetent:

For the year before the effective date of employee's resignation and layoff and in which the achievement of the Company's operating and individual performance targets have been confirmed, the actual shares that can be acquired for each year shall be based on the staff in each operating target year in addition to the vesting conditions stipulated in this Rules. The actual number of months of employment is prorated.

For restricted stock awards that do not meet the vesting conditions, on the day of resignation and layoff, it is deemed that the vesting conditions have not been met. The Company shall recover and cancel the restricted stock awards without compensation.

(2)Leave without pay:

For the year before the effective date of employee's leave without pay and in which the achievement of the Company's operating and individual performance targets have been confirmed, the actual shares that can be acquired for each year shall be based on the staff in each operating target year in addition to the vesting conditions stipulated in this Rules. The actual number of months of employment is prorated.

If on a vested day, the employee is in the state of leave without pay, it is deemed that the vesting conditions have not been met. The Company shall recover and cancel the restricted stock awards shares without compensation. However, for the employees who have been specially approved by the Company for leave without pay, restricted stock awards that have not fulfilled vesting conditions will be restored from the date of reinstatement. However, the vesting period shall be deferred according to the period of leave without pay.

(3)Transfer to related companies:

For those who transfer to related companies on their own, the Company shall recover the restricted stock awards that have not yet acquired without compensation. If due to the Company's operational needs, for those who have been approved by the Company and transferred to the related companies, their rights and obligations on the restricted stock awards remain and still follow this Rules. For the company's operating targets, it shall be based on the achievement of the Company's operating targets to calculate the proportion of actual shares that can be acquired in each year. For individual performance targets, it needs to be re-measured according to the performance standards after transferring to the related company. The employee needs to continue to work for the related company or the Company on the vested date. Otherwise, it is deemed that the vesting conditions have not been met, and the Company shall recover and cancel the restricted stock awards shares that have not been acquired without compensation.

(Note) The term “related company” mentioned in this clause is limited to companies that the Company’s direct or indirect holds 50% shares or more.

(4)Retirement:

For the year before the effective date of employee's retirement and in which the achievement of the Company’s operating and individual performance targets have been confirmed, the actual shares that can be acquired for each year shall be based on the staff in each operating target year in addition to the vesting conditions stipulated in this Rules. The actual number of months of employment is prorated.

For new employee restricted shares that do not meet the vesting conditions, on the day of retirement, it is deemed that the vesting conditions have not been met. The Company shall recover and cancel restricted stock awards shares without compensation.

(5)Unable to continue to serve due to physical disability from occupational disasters:

For the year before the effective date of employee's inability to continue to serve due to physical disability from occupational disasters and in which the achievement of the Company’s operating and individual performance targets have been confirmed, the actual shares that can be acquired for each year shall be based on the staff in each operating target year in addition to the vesting conditions stipulated in this Rules. The actual number of months of employment is prorated.

For new employee restricted shares that do not meet the vesting conditions, on the day of inability to continue to serve due to physical disability from occupational disasters, it is deemed that the vesting conditions have not been met. The Company shall recover and cancel restricted stock awards shares without compensation.

(6)Natural death or death due to occupational disasters:

For the year before the effective date of employee's death and in which the achievement of the Company's operating and individual performance targets have been confirmed, the actual shares that can be acquired for each year shall be based on the staff in each operating target year in addition to the vesting conditions stipulated in this Rules. The actual number of months of employment is prorated.

For new employee restricted shares that do not meet the vesting conditions, on the day of employee's death, it is deemed that the vesting conditions have not been met. The Company shall recover and cancel the restricted stock awards shares without compensation.

6.The Company will cancel the restricted stock awards shares that the Company has recover without compensation.

Article 4: Total number of issuance

A total of 6,000 ordinary shares shall be issued and grated to employees, with a denomination of NT$10 per share and a total issuance amount of NT$60,000,000.

Article 5: Eligibility of employees

1.The Company's full-time employees who are still working for the Company on each vesting day after being allocated new employee restricted shares, have achieved certain performance and comply with the following principles:

(1) Highly related to the Company's future strategic development

(2) Core talents for key technologies

(3) Employees who meet the requirements of Article 8-2 Paragraph 4 and Paragraph 5 of the Articles of Association of the Company

2.The number of new restricted shares that can be allocated for employees will be determined by the Chairman in consideration of seniority, ranking, position, performance, overall contribution, special achievements, or other factors that need to be referred to in management. Only employees with the status of directors and managerial officers should be approved by the Board of Directors after approval of the remuneration committee.

3. Individuals who hold more than 10% of the Company’s issued ordinary shares are not eligible for the issuance. Members of the remuneration committee and members of the Board of Directors who do not have the status of employees are not eligible for the issuance.
4. The sum of a single employee's accumulated number of new restricted shares for employee and the number of shares to be subscribed for the employee stock option issued by the Company by the first provision of Article 56-1 of the Issuance Regulations must not exceed three-thousandths of the Company's total issued shares. The number of shares to be subscribed for the employee stock option issued by the Company by the first provision of Article 56-1 of the Issuance Regulations must not exceed 1% of the Company's total issued shares. For those approved by the central government agency in special projects, the total amount of a single employee's acquisition of employee stock options and new employee restricted shares may not be limited by the previous ratio. If the competent authority updates the relevant regulations, it will be handled following the competent authority's updated laws and regulations and regulations.

Article 6: Restricted rights after the allotment of new shares and before fulfilling the vested conditions

1. After the allotment of new shares and before fulfilling the vested conditions, except for inheritance, the employee restricted shares shall not be sold, pledged, transferred, gifted to others, guaranteed, or otherwise disposed of.
2. After the allotment of new shares and before fulfilling the vested conditions, the rights to attend, make proposals, speak, vote, and elect at the shareholders meeting are the same as those of the Company's ordinary shares, and are implemented in accordance with the trust custody deed.
3. After the allotment of new shares based on this Rules and before fulfilling the vested conditions, the employee’s other rights include but are not limited to: stock dividends, cash dividends, legal reserve, and capital reserve allocation rights, the option of common stock for cash, etc., which are the same as common stocks issued by the Company. The relevant

operating procedures are executed per the trust custody deed.

4. Between the base date for the distribution of rights and the followings, including the Company's book closure date of stock dividends, cash dividends, subscription to common stock for cash, the shareholders meeting's transfer suspension period stipulated in Article 165, Paragraph 3 of the Company Act, or other legal transfer suspension period based on facts, employees who have fulfilled the vesting conditions, the time and procedures for lifting the restrictions on their vested stocks shall be executed by the trust custody deed or relevant laws and regulations.

Article 7: Other matters agreed

1. After the issuance of new employee restricted shares, trust custody of the shares apply. And before the vested conditions are fulfilled, employees shall not request the trustee to return new employee restricted shares for any reason or in any way.
2. During the period when the restricted stock awards are delivered for trust custody, the Company or a person designated by the Company should act as an agent for employees to negotiate, sign, revise, extend, dissolve, and terminate the trust custody deed with the stock trust custody institution (including but not limited to), and instructions on the delivery, use, and disposal of the trust custody property.

Article 8: Signing contract and confidentiality

1. Employees who have been allocated new shares with restricted employee rights must complete the "Consent to Receive New employee restricted shares" and go through the relevant trust custody procedures under the Company's notification before they can be deemed to have obtained the new employee restricted shares. Those who fail to complete the relevant documents by the regulations shall be deemed to have waived restrictions on employee rights.
2. Employees and any owner who has obtained new employee restricted shares and the derived benefits through the Rules should abide by the regulations and the "Consent to Receive New employee restricted shares," in which the violators are deemed to have not met the vesting conditions. They should abide by the Company's salary confidentiality regulations and must not inquire about others or disclose the content and

quantity of new restricted shares for employee granted, or inform others about the content and personal benefits. If there is a violation, the company has the right to recover and cancel the restricted stock awards shares that have not yet fulfilled the vesting conditions without compensation.

Article 9: Taxation

Taxes related to new employee restricted shares which are allocated by the Rules shall be handled following the laws and regulations of the Republic of China at that time.

Article 10: Other important matters

1. The Rules shall be implemented after more than two-thirds of the Board of Directors attend and more than one-half of the attending directors agree, and report to the shareholders meeting for the approval of the resolution and declare to the competent authority to take effect. If subsequent amendments are necessary due to changes in laws and regulations, the review requirements of the competent authority, etc., the Chairman is authorized to amend the Rules, and then the issuance can only proceed after the Board of Directors' ratification.
2. If there are any matters not covered in the Rules, unless otherwise provided by laws and regulations, the Board of Directors or its authorized persons shall be fully authorized to amend or implement relevant laws and regulations.

Appendix 1

Directors' shareholding status of PANJIT International Inc.:

I. The number of issued shares was 332,814,927.

2. According to Article 26, Paragraph 2 of the Securities and Exchange Act, all directors shall hold a minimum of 13,312,597 shares.

3. The numbers of shares held by the directors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date is disclosed in the table below.

Individual and total number of shares held by directors

Book closure date: April 19, 2021

Position title	Account name	Number of Shares Held
Directors	FANG, MIN-CHING	8,522,888 shares
Directors	ZHONG, YUN-HUI	2,778,319 shares
Directors	Jinmao Investment Co., Ltd. Representative: FANG, MIN-ZONG Representative: ZHAN, WEN-XIONG	50,096,710 shares
Independent director	CHEN, YI-CHENG	9,975 shares
Independent director	FAN, LIANG-FU	0 shares
Independent director	CHEN, SHI-ZHEN	0 shares
Total number of Directors (independent director excluded)		61,397,917 shares

Appendix 2

Influence of Stock Dividend on Business Performance, EPS, and Shareholder's Return on Investment：

There is no stock dividend distribution proposed at the shareholders meeting, so it is not applicable.

Appendix 3

PANJIT INTERNATIONAL INC.

Rules of Procedure for Shareholder Meetings

(before amendments)

Revised on 2020/06/12

Article 1 - To establish an excellent governance system, complete a sound supervisory function and strengthen the management mechanism, the Company, in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, formulated the Rules.

Article 2 - The Company's Rules of Procedure for the Shareholders meeting, except as otherwise provided by law, regulation, or the Articles of Association, shall be applied.

Article 3 - (Notice of convening and meeting of the shareholders meeting)

Unless otherwise provided by regulations, the shareholders meeting is convened by the Board of Directors.

For the convening of the regular shareholders meeting, a meeting Manual shall be prepared, and the shareholders shall be notified 30 days before. For shareholders holding less than 1,000 registered shares, they may enter the public information observing station announcement before 30 days; temporary shareholders meeting All shareholders shall be notified 15 days before the convening. Shareholders holding less than 1,000 shares of registered stocks may go to the Market Observation Post System for the announcement 15 days before.

The notice and announcement shall specify the reason for the convening. If the counterparty approves the notice, it may be done electronically.

For appointment or dismissal of directors, change of Articles of Association, capital reduction, application for suspension of public offerings, directors’ competition license, a capital increase from surplus, a capital increase from public reserves, Company dissolution, merger, demerger, or the matters in the first paragraph of Article 185 of the Company Act, the main content should be listed and explained in the reason for convening. Provisional motions shall not be allowed for the proposal. The main content can be placed on the website designated by the securities authority or the Company, and its website should be stated in the notice.

The reasons for the convening of the shareholders meeting have been stated for the full re-election of directors and appointment date. After the shareholders' re-election is completed, the same meeting shall not change the appointment date by extraordinary motion or other means.

Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the Company's ordinary shareholders meeting. The number of proposals is limited to one. Additional proposals shall not be included in the agenda. However, if the shareholders propose to urge the Company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the proposal. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date, before an annual general meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method in written or electronic, and the location and time period for their submission; the period for acceptance of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

The Company shall, prior to the delivery of the shareholders meeting notice, inform all the shareholders submitting proposals of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in the Rules. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 - Shareholders may appoint a proxy to attend the shareholders meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.

A shareholder may only execute one letter of appointment, appoint one proxy only, and submit such a letter of appointment to the Company no later than 5 days before the shareholders meeting. If two or more letters of appointment are received from the same shareholder, the first one received by the Company shall prevail. Provided that this does not apply to a declaration made to cancel the previous proxy appointment. After the letter of appointment is served to the company, shareholders who wish to attend the shareholders meeting in person or exercise their voting rights in writing or electronically shall notify the Company in writing of the revocation of the entrustment two days before the shareholders meeting. Should the revocation has not been made in time, the voting rights exercised by people present shall prevail.

Article 5 (Principles of the place and time of the shareholders meeting)

The venue where a shareholder meeting is to be held shall be in the premises of the Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent Directors shall be fully taken into consideration in decision of the location and time of a shareholder meeting.

Article 6 (Preparation of signature books and other documents)

The Company shall establish a attendance book for shareholders or their proxies (hereafter referred to as shareholder) to sign in, or the shareholders present shall turn in a sign-in card.

The Company 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, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings with attendance cards, attendance sign-in cards, or other certificates of attendance. Solicitors soliciting letters of appointment 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 (Chairman of the shareholders meeting and non-voting members)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case the Chairman is on leave or for any reason unable to exercise his powers, the vice Chairman shall act in place of the Chairman. If there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the managing Directors to act as the chair, or if managing Directors have not been appointed, one of the Directors shall be appointed to act as the chair. Where the Chairman does not make such appointment, the managing Directors or the Directors shall elect one person from among themselves to serve as chair.

Shareholders meetings convened by the Board of Directors shall be attended by a majority of the Directors.

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.

The Company may appoint its attorneys, certified public accountants, or related persons to attend a Shareholders Meeting with a non-voting capacity.

Article 8 - (Record of audio or video recording of shareholders meetings)

The Company shall record the shareholders meetings by audio or video and keep the recording for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the termination of the litigation.

Article 9 - 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 or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically.

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 Paragraph 1, Article 175 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 termination of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may submit the tentative resolution for a vote to the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Proposal and discussion)

If a Shareholders Meeting is convened by the Board, the meeting agenda shall be set by the Board. 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 to a shareholders meeting convened by a party with the power to convene that is the member of 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 extempore 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 according to 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 opportunities for explanation and discussion of proposals of amendments or extempore 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 and arrange an adequate voting time.

Article 11 (Shareholders' speeches)

Before speaking, the attending shareholder shall complete the speaker’s slip indicating the subject of speech, shareholder’s account number (or the attendance card number) and account name. The sequence of speeches shall be determined 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.

Each attending shareholder shall make no more than two speeches for each motion, and each speech shall not exceed 5 minutes unless otherwise consented by the chair. The chair shall retain all rights to stop any speech if the shareholder's speech violates the aforementioned principle or is outside the scope of the topic.

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

When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives 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 the Company, 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 rihts 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 stock affair 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% of the voting rights represented by the total number of issued shares. If it exceeds, the voting rights in excess of 3% shall not be included in the calculation.

Article 13 - A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders meeting, it shall allow the shareholders to exercise voting rights in writing or electronically. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person. But will be deemed to have waived his/her rights with respect to the extempore motions and revisions to the original proposals of that meeting.

A shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or electronically, in the event the shareholder intends to attend the shareholders meeting in person, he/she shall use the same mean by which the voting rights were exercised to retract the voting rights already exercised under the preceding paragraph 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or electronically shall prevail. When a shareholder exercises voting rights in writing or electronically and appoints a proxy to attend a shareholders meeting by the letter of appointment, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the shareholders shall vote, and after the shareholders meeting is held, the results of shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to the same proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

The counting of votes shall be made public in the shareholders meeting and the results of the voting shall be reported on the spot and recorded.

Article 14 (Elections)

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company, 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 termination of the litigation.

Article 15 - 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 termination of the meeting. Electronic measures may be adopted to print and distribute meeting minutes.

Distribution of the meeting minutes as described in the preceding paragraph may be conducted by uploading them to the Market Observation Post System.

Proceedings should exactly record the year, month, day, place, name of the Chairman, resolution method, the essentials of the deliberations, and voting results (including statistical weights.) When electing directors, the number of votes each candidate has should be disclosed. It shall be retained for the duration of the existence of the Company.

Article 16 (Official notice)

On the day of a shareholders meeting, the Company 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 Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintenance of venue order)

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

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

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

When a shareholder violates the rules of procedure, defies the chair's correction, obstructs the proceedings and refuses to heed order to stop, the chair may direct the inspectors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and continuation)

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 continuous use and not all of the items (including extempore 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 Rules, along with any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 4

Articles of Association
of
PANJIT INTERNATIONAL INC.

Chapter I General Provisions

Article 1: The Company is named PAN JIT INTERNATIONAL INC. following the provisions of the Company Act on companies limited by shares.

Article 2 The Company's scope of business is as follows:

(1)General import and export trade business (except licensed business.)

(2)Assembling, trading, and technology transfer of various mechanical parts.

(3)Import and export business of manufacturing, processing, assembling, buying, and selling various semiconductor rectifiers.

(4)The import and export business of resins and coatings for electronics in the preceding paragraph.

(5)Import and export business of manufacturing, processing, assembling, trading of general precision electronic materials and components.

(6)The import and export business of the products mentioned in the preceding paragraph and the sales of electronic products as an agent of domestic and foreign manufacturers.

(7)Business items not prohibited or restricted by law, besides those requiring special approval.

Article 2-1: Due to business needs, the Company may handle endorsement and guarantee matters following the Company's Procedures for Endorsement and Guarantee provisions.

Article 3: The Company set up its headquarters in Kaohsiung City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.

Article 4: Deleted.

Chapter II Shares

Article 5: The Company's authorized capital is NT$6 billion, which is divided into 600 million shares. Each share carries a face value of NT$10, and can be issued in installments. The Board of Directors is authorized to decide, as required, the issuance of shares not issued.

The rated share capital reserves the stock options in an amount of NT$10 million for employees and involves a total of 1 million shares at NT$10 each. The shares may be issued by the Board of Directors' resolution in installment.

Article 6: Deleted.

Article 7: The share certificates of the Company shall, without exception, be in registered form, signed by, or affixed with the seals of the director representing the Company and authenticated by the competent governmental authority upon issuance. The Company may be exempted from printing any share certificate for the shares issued but shall appoint a centralized securities custody institution to register such shares.

Article 8: The transfer of shares shall be suspended within 60 days before the convening date of an annual general meeting, or within 30 days before the convening date of an extraordinary general meeting, or within 5 days before the base date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 8-1: The treasury stocks purchased by the Company itself can be transferred to employees at a price lower than the average price of the actually purchased shares. However, it shall be subject to a resolution of the shareholders meeting. The shareholders meeting shall be present on behalf of more than half of the total number of shares issued, with two-third of the voting rights of the present shareholders agree.

Article 8-2: For treasury stocks purchased by the Company per the Company Act, the transferring parties may include employees of controlling or subordinate companies that meet certain conditions.

The Company's employee stock option certificates may be issued to the target, including the employees of the controlling or subordinate Company that meet certain conditions.

When the Company issues new shares, the employees who subscribe to the shares may include employees of controlling or subordinate companies that meet certain conditions.

The subjects of the Company's issuance of new employee restricted shares may include employees of controlling or related companies that meet certain conditions.
The Board of Directors shall determine the "certain conditions" mentioned in the preceding items.

Chapter 3 Shareholders Meeting

Article 9: The Company’s shareholders meetings are of two kinds: anual general meetings and extraordinary general meetings.

Article 10: When a shareholder is unable to attend the shareholder's meeting, he/she may appoint a proxy through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. Shareholders' attendance by proxy shall be conducted in accordance with the Company Act, as well as meeting the requirements provided in the Regulations Governing the Use of Proxies for Attendance at Shareholder meetings of Public Companies.

Article 11: The Company’s shareholder is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 12: Unless otherwise provided by applicable law or regulation, a resolution of the shareholders meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Chapter 4 Directors and Audit Committee

Article 13: The Company shall appoint directors for a term of three-years. They shall be elected among persons of adequate capacity by the shareholders meeting and may be re-elected for consecutive terms. The total shareholding percentage of all directors shall be determined by regulations of the competent authority of securities.
Among the above-mentioned number of directors, the number of independent directors shall not be less than three (at least one independent director shall have accounting or financial expertise) and shall not be less than one-fifth of the number of directors.
The election of directors follows the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect Directors from the list of director candidates.

The election of independent directors and non-independent directors shall be held together. The number of elected seats shall be calculated independently. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and other requirements with regard to the Independent Directors shall be set forth in accordance with the relevant laws by the competent authorities.

Article 13-1: The Company establishes the Audit Committee following Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed of all independent directors. The number, term of office, powers, and rules of procedure of the Audit Committee are related to the exercise of functions and powers of the public company audit committee.

Provisions shall be made separately by the organizational rules of the Audit Committee.

Article 14: The Board of Directors shall consist of the Company's Directors. The Chairman shall be elected from among the Directors by most Directors in attendance at a meeting attended by at least two-thirds of the Directors. The Chairman shall represent the Company externally.

Article 15: If the Chairman is on leave or cannot perform his duties for some reason, the Chairman shall designate a director to act on his behalf. If the Chairman does not designate a director, directors shall elect one person from among themselves to serve as chair.

Article 15-1: When the director is unable to attend the meeting of the Board of Directors for some reason, a power of attorney enumerating the reason for the convening of the power of attorney shall be issued and signed and sealed to entrust other directors to attend as a proxy. One person can be entrusted by one person only. Directors residing abroad may entrust other shareholders residing in the country in writing to attend on behalf of other shareholders.

When the Board of Directors is convening a meeting, if the method of video conferencing is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.

In calling a meeting of the Board of Directors, a notice setting forth to each director can be in the form of writing, e-mail, or fax.

In calling a meeting of the Board, a notice setting forth can be in the form of writing, e-mail, or fax.

Article 16: The remuneration of all directors, regardless of operating profit or loss, may be determined by the authorized board meeting according to the usual standards of the industry.

Chapter 5 Managerial officer

Article 17: the Company may have managerial officers. Appointment, dismissal and compensation of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: At the close of each fiscal year, the Board of Directors shall prepare the following statements and submit for approval at the annual general meeting:

1. Business Report.
2. Financial statements.
3. Earning distribution or loss make-up proposal.

Article 19: After annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any.

The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

Article 19-1: If there is a surplus in the Company’s annual final accounts, the Company should accrue for taxes and make up for accumulated losses first, then withdraw 10% as a legal reserve and the special surplus reserve under the regulations of the competent authority. Afterward, the Board of Directors shall draft a surplus distribution proposal for the balance. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to assign all or part of the dividends and bonuses payable. The resolutions shall be reported to the shareholders meeting.

Article 19-2: The Company's dividend policy is determined by the Board of Directors based on operating plans, investment plans, capital budgets, and changes in internal and external environments. The Company's business is a capital-intensive industry and is currently in the stage of operational growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the principles of surplus distribution are as follows: The balance to be distributed for the current year is given priority to cash dividends and can also be distributed to shareholders in the form of stock dividends, but the total amount of cash dividends shall not be less than 10% of the total amount of dividends paid to shareholders.

Article 19-3: In accordance with Article 241 of the Company Act, the Company will issue all or part of the legal reserve and capital reserve as new shares or cash in proportion to the shareholders original shares. When cash is assigned, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to make a resolution and report to the shareholders meeting. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

Chapter 7 Supplementary Provisions

Article 20: The total amount of the Company’s investment in other companies may exceed 40 percent of the paid-in capital. The Board is authorized for implementation.

Article 21: Matters not specified in these Articles shall be conducted in compliance with the Company Act.

Article 22: This Articles of Association was established on April 23, 1986.

The 1st amendment was made on May 13, 1986.
The 2nd amendment was made on June 12, 1986.
The 3rd amendment was made on June 4, 1988.
The 4th amendment was made on April 22, 1993.
The 5th amendment was made on December 28, 1993.
The 6th amendment was made on May 1, 1994.
The 7th amendment was made on November 11, 1994.
The 8th amendment was made on January 20, 1996.
The 9th amendment was made on June 10, 1997.
The 10th amendment was made on June 21, 1997.

The 11th amendment was made on March 28, 1998.
The 12th amendment was made on October 6, 1998.
The 13th amendment was made on April 29, 1999.
The 14th amendment was made on April 29, 1999.
The 15th amendment was made on March 31, 2000.
The 16th amendment was made on March 31, 2000.
The 17th amendment was made on April 24, 2001.
The 18th amendment was made on May 17, 2002.
The 19th amendment was made on May 17, 2002.
The 20th amendment was made on June 2, 2003.
The 21st amendment was made on May 21, 2004.
The 22nd amendment was made on June 17, 2005.
The 23rd amendment was made on June 13, 2007.
The 24th amendment was made on June 10, 2009.
The 25th amendment was made on June 10, 2011.
The 26th amendment was made on June 16, 2016.
The 27th amendment was made on June 13, 2017.
The 28th amendment was made on June 12, 2018.
The 29th amendment was made on June 13, 2019.

PANJIT INTERNATIONAL INC.

Chairman: FANG, MIN-CHING