

Advantech Co.,Ltd.
2022 Annual Shareholders' Meeting
Meeting Minutes
(Translation)

Time : 09:00 AM, May 26,2022

Place : (Neihu Headquarters) B1, No. 1, Line 20, Lane 26, Rueiguang Road,
Neihu District, Taipei City

Meeting type : Video-conferencing assisted shareholders meeting
(physical shareholders meeting supported by video conferencing)

E-Meeting Platform : “Shareholders meeting e-Voting Platform - Hybrid Shareholders’
Meeting” by Taiwan Depository & Clearing Corporation
website: <http://www.stockvote.com.tw>

The total outstanding ACL shares: 775,837,411 shares

The total shares represented by shareholders present in person or by proxy: 742,881,695 shares
(among them, 705,688,690 shares voted via electronic transmission and E-Meeting)

The Percentage of shares held by shareholders present in person or by proxy: 95.75%

Chairman: K. C Liu, the Chairman of the Board of Directors

Attendees: K. C Liu Chairman, Chaney Ho (Director), Donald Chang(Director),
Wesley Liu(Director), Benson Liu (Independent Director), Chan-Jane Lin (Independent Director),
Eric Chen (President), Miller Chang (President), Linda Tsai (President), Liang, Hua-Ling, CPA,
PricewaterhouseCoopers ,Villis Yang (Director)

The aggregate shareholding of the shareholders present in person or by proxy constituted a
quorum. The Chairman called the meeting to order.

Chairman’s Address (omitted)

I. Management Presentations

1. The 2021 Business Report (see appendix I)
2. The Audit Committee’s Review Report on the 2021 Financial Statements (see appendix II)
3. Status reports of the Cash dividends for Distribution of 2020 Profits
4. Report of Employees’ compensation and Directors’ compensation of 2021.
5. The Status of Endorsement and Guarantee in 2021. (see meeting agenda)
6. Report on the Status of Shares-release of the Company's subsidiary LNC Technology Co.,Ltd.(LNC) in 2021.

II. Proposals

1. Adoption of the 2021 Business Report and Financial Statements

(Proposed by the board of directors)

Explanation:

- (1) The 2021 business report and standalone financial statements (including consolidated financial statements) were composed by the Board of Directors. The Company's financial statements were audited by independent auditors, Liang, Hua-Ling and Lin, Yi-Fan, of PricewaterhouseCoopers Taiwan and were reviewed by the supervisor along with the business report with a written audit report issued.
- (2) The Business Report, independent auditor's report, and Financial Statements are enclosed as Attachment I and Attachment III.

Voting Results:

742,881,693 shares were represented at the time of voting; 697,125,348 votes were in favor of the proposal (including votes casted electronically: 659,977,881); 328,957 votes were cast against the proposal (including votes casted electronically: 328,957); 0 votes were invalid; 45,427,388 votes were either invalidly cast or abstained (including votes casted electronically: 45,381,850).

Approved, that the above proposal be and hereby were accepted as submitted.

2. Adoption of the Proposal for Distribution of 2021 Earnings.

(Proposed by the board of directors)

Explanation:

- (1) Please refer to the 2021 profit distribution table in Attachment IV.
- (2) The net income of the company amounted to NT\$8,250,223,955 for 2021. Add the beginning un appropriated earnings of NT\$5,555,807,602 and deducted investments accounted for using the equity method adjusted in retained earnings NT\$84,847,981 , remeasurements of the defined benefit recognized in retained earnings NT\$4,039,040 , cumulative profit or loss of disposals of investments in equity instruments designated as at fair value through other comprehensive income directly transferred to retained earnings NT\$11,434,540 , the legal reserve of NT\$814,990,239 and reversed special reserve of NT\$276,056,151 , the distributable earnings for 2021 amounted to NT\$13,166,775,908 resulted to be distributed as follows:
- (3) The amounts of NT\$6,195,710,488 out of the 2021 earnings are appropriated for distribution as cash dividends and share dividends to shareholders, respectively.
There were 774,463,811 shares of common stock outstanding on December 31, 2021 that are entitled to the distribution of shareholder's dividend at NT\$7.1 per share.
- (4) The distribution of cash dividend is calculated to the dollar (round up to the dollar). The total amount of the odd shares with a distribution of less than NT\$1 will be booked as the other income or other expense of the company.
- (5) The current distribution of earnings is scheduled before the dividend benchmark date. If

there is any change in the yield rate as a result of any change in the Company's outstanding shares, a request is to be made in the shareholders' meeting having the Chairman authorized to handle matters related to the changes.

Voting Results:

742,881,693 shares were represented at the time of voting; 697,965,744 votes were in favor of the proposal (including votes casted electronically: 660,818,277); 657,502 votes were cast against the proposal (including votes casted electronically: 657,502); 0 votes were invalid; 44,258,447 votes were either invalidly cast or abstained (including votes casted electronically: 44,212,909).

Approved, that the above proposal be and hereby were accepted as submitted.

III. Discussion Items

1. Amendment to the " Articles of Incorporation "

(Proposed by the board of directors)

Explanation:

Article 172-2 of the Company Act, the Company may explicitly provide in the Articles of Incorporation that a shareholders meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority. To add flexibility to the methods of convening a shareholders meeting, the Company moves for the amendment to Article 9 of the Articles of Incorporation.

For the comparison table of amendments to the Articles of Incorporation. Please refer to Attachment V.

Voting Results:

742,881,693 shares were represented at the time of voting; 686,967,829 votes were in favor of the proposal (including votes casted electronically: 649,820,362); 5,503,651 votes were cast against the proposal (including votes casted electronically: 5,503,651); 0 votes were invalid; 50,410,213 votes were either invalidly cast or abstained (including votes casted electronically: 50,364,675).

Approved, that the above proposal be and hereby were accepted as submitted.

2. Amendment to the " Procedures For Acquisition or Disposal of Assets".

(Proposed by the board of directors)

Explanation:

The proposal is handled according to Financial Supervisory Commission Order Gin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022.

In order to comply with the law and relevant regulations and to conform to the needs of commercial practice, the Company hereby proposes to amend the Procedures For Acquisition or

Disposal of Assets . Please refer to Attachment VI.

Voting Results:

742,881,693 shares were represented at the time of voting; 692,998,141 votes were in favor of the proposal (including votes casted electronically: 655,850,674); 2,051 votes were cast against the proposal (including votes casted electronically: 2,501); 0 votes were invalid; 49,881,501 votes were either invalidly cast or abstained (including votes casted electronically: 49,835,963).

Approved, that the above proposal be and hereby were accepted as submitted.

3. Amendment to the “ Rules and Procedures of Shareholders’.

(Proposed by the board of directors)

Explanation:

The Company moves for amendments to the “Rules of Procedure for Shareholders Meetings” according to the amendment to Article 172-2 of the Company Act, which stipulates that a public company may hold its shareholders meeting by means of visual communication network. For the comparison table of amendments to the “Rules of Procedure for Shareholders Meetings,” refer to Appendix VII.

Approved, that the above proposal be and hereby were accepted as submitted.

Voting Results:

742,881,693 shares were represented at the time of voting; 686,967,536 votes were in favor of the proposal (including votes casted electronically: 649,820,069); 5,503,984 votes were cast against the proposal (including votes casted electronically: 5,503,984); 0 votes were invalid; 50,410,173 votes were either invalidly cast or abstained (including votes casted electronically: 50,364,635).

Approved, that the above proposal be and hereby were accepted as submitted.

V. Extemporary Motion: None.

VI. Meeting Adjourned: There was no other business and extemporary motion, the Chairman announced the meeting adjourned.

II. Attachments

<Attachment I>

Business Report

Dear shareholders:

Financial Performance

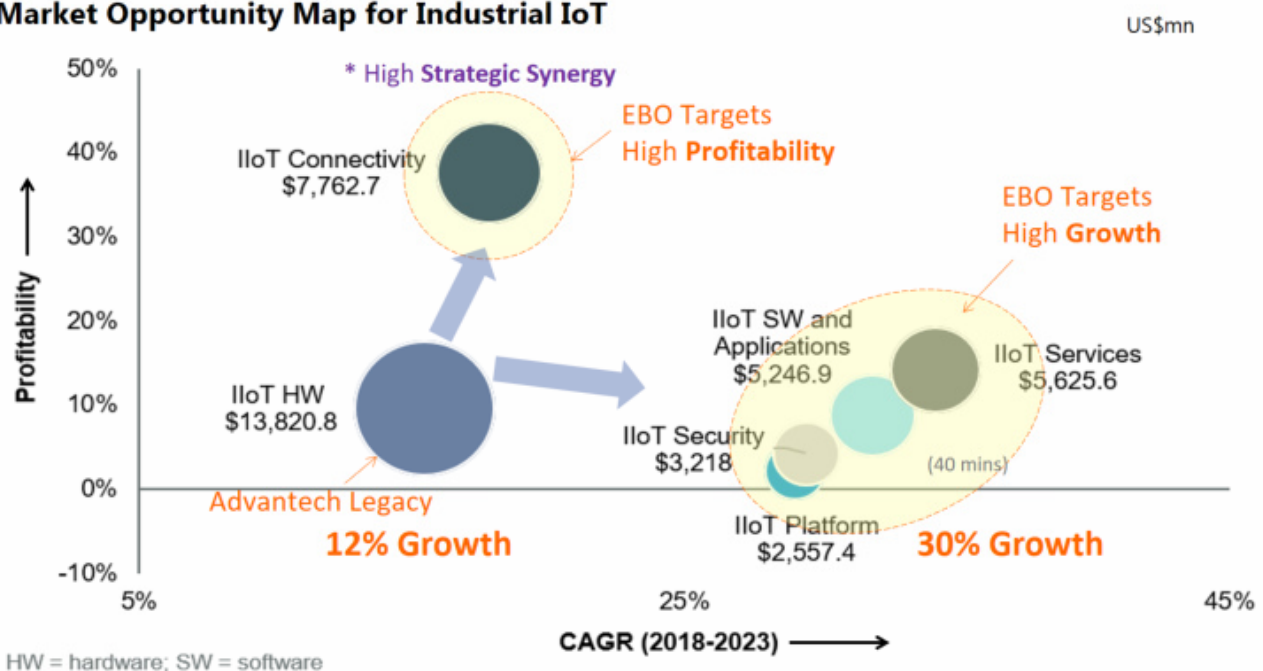
In terms of financial performance, Advantech's consolidated revenue of 2021 reached NT\$58.622 billion, an increase of 15% over 2020. The gross profit was NT\$22.132 billion (gross profit margin 37.8%), and the consolidated net income after tax was NT\$8.25 billion (year-on-year growth of 14%). 2021 earnings per share (EPS) reached NT\$10.67. Advantech's operating revenue and profit both hit historic highs in 2021, and the overall operation achieved good results.

In terms of U.S. dollars, Advantech's revenue in 2021 achieved US\$2.09 billion, officially breaking through the US\$2 billion threshold, representing a 21% year-on-year growth compared to 2020's revenue of US\$1.73 billion. From a regional perspective, China and emerging markets are the strongest, with year-on-year growth of 32% and 47% respectively. Major markets such as North America, Europe, Taiwan and South Korea also reached double-digit year to year growth rates. In terms of performance of each business unit (BUs), the Industrial-IoT Group (IIoT), Service-IoT Group (SIIoT) and Advantech Service Plus (AS+) outperformed other BUs, achieving year-on-year growth of 29%, 27% and 27% respectively.

Market Trends and Business Strategy

According to the Market Opportunity Map for Industrial IoT (see chart below) put forward by Gartner, the global industrial IoT industry will grow rapidly from 2018 to 2023. The profitability ratio is as high as 40%, which creates a huge synergy with Advantech's existing core business. IIoT is the company's key strategic direction going forward. In terms of growth momentum, the top four fast-growing application fields are IIoT Platforms, IIoT SW and applications, IIoT Services, and IIoT Security. It is estimated that the compound growth rate in the next five years will exceed 30%. Moving forward, Advantech will leverage its existing IIoT hardware advantages to actively explore high-profit and high-growth markets.

Market Opportunity Map for Industrial IoT



In addition, in the continuous establishment of global IoT standards, various Low Power Wide Area (LPWA) network technologies have been developed, including LoRa, Bluetooth 5.2, 5G, NB-IoT, and eMTC. At the same time, the evolution of data acquisition, transmission, storage management, and the maturity of analytics, helped to increase the penetration rate of IoT application services. In line with these trends, cloud service giants like Microsoft, Google, Amazon, and Alibaba are aggressively setting up dedicated IoT Clouds for AI and IoT applications, such as Azure IoT (Microsoft) and Cloud IoT (Google) platforms. The gradual maturity of technical standards will have a very positive influence on the popularization of IoT and the development of its ecosystem.

Advantech has been committed to the development of IoT Edge Computing and Platforms since its inception. In terms of product development, we provide diverse and reliable hardware platforms and intelligent integration services to system integrators (SIs) in different vertical fields around the world for facilitating various smart applications.

In line with the development of IoT over the next decade and technological trends of AI and 5G, Advantech has successfully integrated Edge Computing Platform and AI chips on existing hardware platforms to launch high-computing performance AI solutions. In addition, Gartner and numerous international market research organizations tell us that the combination of IoT, big data, and machine learning has become a strong trend in application fields such as automated production, video surveillance, equipment preventative maintenance, warehouse management, and healthcare. Thus, Advantech has been cultivating WISE-IoT technologies, targeting smart manufacturing, retail, and medical fields.

Equipped with the WISE-PaaS industrial cloud platform, we provide Solution Ready Packages (SRPs) that integrate software and hardware to help customers achieve project success. WISE-PaaS integrates edge computing and IoT cloud platforms to provide data acquisition, analytics, and visualization services from the sensor nodes and equipment at the edge and in the cloud, helping SIs focus on the needs of different vertical markets to quickly create new types of AIoT application services. The WISE-PaaS cloud platform, solely created by Advantech, not only promotes the vigorous development of the IoT industry ecosystem, but also successfully raises the technical barrier and further strengthens Advantech's leading position in the industry.

Corporate Vision

Looking ahead to 2030, we plan to incorporate the following important developments:

Globally Integrated Corporate Competencies (GICC) and Globally Integrated Regional Competences (GIRC):

Advantech will continue to focus on the in-depth development of core businesses in IIoT, and develop diverse application business units (BUs) based on this core platform. Under such a strategy, GICC and GIRC projects will be important developments for the headquarters. We plan to solidify the corporate and regional core competencies to support the effective development of diverse niche-focused business entities.

In-depth Development of Various Application Fields in a Co-Creation Model:

The value of IoT lies in providing customized application solutions. We embrace the advantages of the WISE-PaaS platform and its abundant software and hardware modules. Our future strategy is to form a co-creation cooperation model with SIs and independent software vendors (ISVs) in various fields in order to cultivate various IoT application fields together. The ways of realizing co-creation includes solution co-creation, joint venture co-creation, and Industry-Academia co-creation with universities and research institutions.

Separately Focus on Each Important Application Field:

In response to the uniqueness of each IoT application and its domain knowhow, specialized and dedicated business units can maximize the in-depth cultivation in each field. We plan to add several solution business units (Solution BU), including iFactory, iEMS, M2I, smart healthcare, smart retail, smart city, and more.

To conclude, our AIoT WISE-PaaS software platform and several SRPs will be integrated with Advantech's various mature IoT hardware platforms to form a global leading AIoT platform supplier with the intention of contributing and leading the global promotion of AIoT.

Sustainability and ESG

We have been dedicated to branding since Advantech's establishment and currently have offices in 28 countries around the world. In 2021, we were ranked fifth place on the Best Global Taiwan Brands list, with a brand value of US\$632 million and 1% brand value growth rate.

In order to promote environmental, social, and corporate governance (ESG), we have defined three main focuses of ESG, based on our ESG vision statement: first, become the most in-demand company for talent in the IoT field; second, cultivate new talent through multiple channels to achieve success for Advantech and co-creation partners; third, attach high importance to ESG issues, practice LITA (altruistic) corporate philosophy to become an intelligent promoter (contributor) of a sustainable planet.

Green Operations: completed the goal setting and advocacy of the Science Based Targets initiative (SBTi) in 2021, and finished implementation of iEMS (Intelligent Energy Management System) in Advantech, Taiwan and Kunshan, China to carry out the management of energy conservation and carbon reduction. Also, officially invested in solar farms formulated 2032 carbon neutral targets for Advantech Taiwan. At the same time, we plan to publish our first Task Force on Climate-Related Financial Disclosures (TCFD) in 2022.

AIoT Popularization and Mutual Benefits: use the WISE-PaaS platform to cultivate creative talent and innovative solutions in the AIoT field. Advantech supported AIoT education in 5 countries and 17 universities in 2021. Going forward, we will emphasize more on the collaboration of industry-academia and new talent development.

Employees and Community Enrichment: in addition to Advantech's ABLE Club employee platform, we offer a diverse range of channels to cultivate new and existing talent.

In 2021, Advantech's ESG affirmations include: Global Views Magazine CSR Award - ICT & electronics industry - Role Model Award; TCSA Taiwan Corporate Sustainability Awards - Corporate Sustainability Best Performance Award/Corporate Sustainability Report Gold Award; Buying Power - Social Innovation Product and Service Procurement Award - First Prize; and 1111 Job Bank Happiest Employees – 2021 Gold Award and Special Award. We were also selected by Yuanta FTSE4Good TIP Taiwan ESG ETF Fund (00850) and TIP Taiwan Environmental Sustainability Index. We will continue to dedicate ourselves to creating a sustainable and altruistic corporation for stakeholders with the mission of being an intelligent enabler of a sustainable planet.

Outlook for 2022 and Beyond

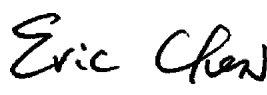
Looking forward to 2022, despite the challenges in the supply chain, the overall sales performance is still high, and the production capacity expansion plans are nearly completed. Furthermore, most developed countries actively address climate change challenges, which brought infrastructural demands from applications such as automated production, energy efficiency, environmental protection, and smart cities. We have great confidence that we can be on top of the IoT wave, contribute to a sustainable planet, and benefit our shareholders.



K.C. Lu
Chairman



Linda Tsai
President of Industrial
IoT



Eric Chen
President of General
Management



Miller Chang
President of Embedded
IoT

Audit Committee's Review Report

The Company's 2021 Financial Statements have been agreed by Audit Committee members of the Company and approved by the Board of Directors. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements.

The Board of Directors has prepared the Company's 2021 Business Report and proposal for allocation of profits. The 2021 Business Report and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company.

According with Article 14-4 of the securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely yours,

The 2022 General Shareholders' Meeting of Advantech Co., Ltd.

Chairman of the Audit Committee : Benson Liu

February 25, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ADVANTECH CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheet of ADVANTECH CO., LTD. and its subsidiaries (the “Group”) as at December 31, 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(14) for the accounting policies on the valuation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for the valuation of inventories, and Note 6(6) for the details of inventory valuation. The Group's inventory and allowance for inventory valuation as at December 31, 2021 are \$13,516,930 thousand and \$999,514 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of embedded computer boards, industrial automation products, applied computers and industrial computers. Due to the rapid changes in technology and environment and industrial characteristics, inventories of the Group are available in different sizes and types. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, we considered the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Obtained an understanding of the policy on allowance for inventory valuation loss to assess the reasonableness of application.
2. Validated the accuracy of the system logic in calculating the ageing of inventories.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Recognition of sales revenue

Description

Refer to Note 4(32) for the accounting policies on the recognition of sales revenue.

Due to the changes in technology and environment, the development of new energy-related industries as well as digital transformation have been accelerated. As a result of the rapid development in the industrial computers industry, the Group had a significant growth in its revenue for the year ended December 31, 2021, particularly from revenues generated through its channels/distributors. Thus, we considered the recognition of revenues from channels/distributors as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Obtained an understanding of and assessed internal controls in relation to sales revenue, and validated the operating effectiveness.
2. Obtained a detailed listing of sales revenue from channels/distributors for the current year, and assessed supporting documents to ensure the appropriateness of recognition.
3. Inspected contents and relevant evidences to confirm whether there were any significant or unusual sales returns and discounts occurring subsequent to the reporting period.
4. Performed accounts receivable confirmation procedure to significant customers.

Other matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2020 were audited by other auditors, whose report dated March 5, 2021 expressed an unqualified opinion on those statements.

We have audited and expressed an unqualified opinion with an *other matter* section on the parent company only financial statements of ADVANTECH CO., LTD. as at and for the year ended December 31, 2021.

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

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

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

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

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liang, Hua-Ling

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2022

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 9,301,152	16	\$ 7,497,442	15
1110	Financial assets at fair value through profit or loss - current	6(2)	3,576,089	6	5,493,150	11
1136	Financial assets at amortised cost - current	6(4) and 8	113,548	-	162,602	-
1150	Notes receivable, net	6(5)	2,038,948	4	1,893,043	4
1170	Accounts receivable, net	6(5)	8,215,075	14	6,858,742	14
1180	Accounts receivable - related parties	7	37,920	-	28,750	-
1200	Other receivables		54,497	-	51,885	-
1210	Other receivables - related parties	7	-	-	4,633	-
130X	Inventory	6(6)	12,517,416	22	7,813,550	15
1470	Other current assets	7	831,655	1	483,739	1
11XX	Total current assets		36,686,300	63	30,287,536	60
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	94,310	-	77,950	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	2,516,420	4	1,814,233	4
1550	Investments accounted for under equity method	6(7)	3,856,835	7	3,404,345	7
1600	Property, plant and equipment	6(8)	10,246,751	18	9,916,896	20
1755	Right-of-use assets	6(9)	594,368	1	599,005	1
1780	Intangible assets	6(10)	2,665,425	5	3,147,346	6
1840	Deferred income tax assets	6(25)	985,675	2	723,627	2
1915	Prepayments for business facilities		116,347	-	167,579	-
1990	Other non-current assets	8	65,806	-	60,868	-
15XX	Total non-current assets		21,141,937	37	19,911,849	40
1XXX	Total assets		\$ 57,828,237	100	\$ 50,199,385	100

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 255,700	1	\$ 184,078	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	2,687	-	21,044	-
2130	Contract liabilities - current	6(20)	950,692	2	757,052	2
2170	Notes and accounts payable	7	7,486,975	13	4,326,447	9
2200	Other payables	6(12) and 7	4,587,492	8	3,928,365	8
2230	Current income tax liabilities		2,485,660	4	2,315,461	5
2250	Provision for liabilities - current		196,498	-	164,086	-
2280	Lease liabilities - current	6(9)	250,338	-	221,250	-
2300	Other current liabilities		287,636	1	178,425	-
21XX	Total current liabilities		16,503,678	29	12,096,208	24
Non-current liabilities						
2560	Current income tax liabilities - non-current		97,320	-	291,961	1
2570	Deferred income tax liabilities	6(25)	2,178,209	4	2,142,428	4
2580	Lease liabilities - non-current	6(9)	67,068	-	87,781	-
2600	Other non-current liabilities	6(13)	619,171	1	534,584	1
25XX	Total non-current liabilities		2,961,768	5	3,056,754	6
2XXX	Total liabilities		19,465,446	34	15,152,962	30
Equity attributable to shareholders of the parent						
	Share capital	6(15)				
3110	Common shares		7,738,228	13	7,719,455	16
3140	Advance receipts for share capital		6,410	-	3,090	-
	Capital surplus	6(16)				
3200	Capital surplus		8,388,886	15	7,913,754	16
	Retained earnings	6(17)				
3310	Legal reserve		7,737,236	13	7,020,201	14
3320	Special reserve		831,850	1	845,993	2
3350	Unappropriated retained earnings		13,705,710	24	11,739,513	23
	Other equity	6(18)				
3400	Other equity		(555,793)	(1)	(831,850)	(2)
31XX	Equity attributable to shareholders of the parent		37,852,527	65	34,410,156	69
36XX	Non-controlling interest	6(19)	510,264	1	636,267	1
3XXX	Total equity		38,362,791	66	35,046,423	70
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 57,828,237	100	\$ 50,199,385	100

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	For the years ended December 31,			
		2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 58,622,050	100	\$ 51,119,408	100
5000 Operating costs	6(6)(8)(9)(10)(13)				
	(14)(24) and 7	(36,490,474)	(62)	(30,723,147)	(60)
5950 Gross profit		22,131,576	38	20,396,261	40
Operating expenses	6(8)(9)(10)(13)(14)				
	(24) and 7				
6100 Selling expenses		(5,180,175)	(9)	(4,762,890)	(9)
6200 General and administrative expenses		(2,877,312)	(5)	(2,551,504)	(5)
6300 Research and development expenses		(4,269,809)	(7)	(4,055,922)	(8)
6450 Expected credit impairment (loss)					
gain		(3,857)	-	10,608	-
6000 Total operating expenses		(12,331,153)	(21)	(11,359,708)	(22)
6900 Operating profit		9,800,423	17	9,036,553	18
Non-operating income and expenses					
7100 Interest income		27,467	-	39,632	-
7010 Other income	6(21) and 7	373,993	-	212,830	1
7020 Other gains and losses	6(2)(10)(22)	(194,813)	-	(306,514)	(1)
7050 Finance costs	6(9)(23)	(15,668)	-	(20,176)	-
7060 Share of profit of associates and	6(7)				
joint ventures accounted for under					
equity method		263,940	-	166,036	-
7000 Total non-operating income and					
expenses		454,919	-	91,808	-
7900 Profit before income tax		10,255,342	17	9,128,361	18
7950 Income tax expense	6(25)	(1,947,979)	(3)	(1,825,374)	(4)
8200 Profit for the year		\$ 8,307,363	14	\$ 7,302,987	14

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		For the years ended December 31,			
		2021		2020	
Items	Notes	Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(13)	(\$ 3,577)	- (\$ 21,879)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	766,066	2 132,470	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(7)(18)	66,515	- (2,733)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	790	- 4,385	-
8310	Other comprehensive income that will not be reclassified to profit or loss		829,794	2 112,243	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	(685,783) (1) (151,818)	-	
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(7)(18)	(57,855)	- (21,431)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(25)	142,326	- 32,093	-
8360	Other comprehensive loss that will be reclassified to profit or loss		(601,312) (1) (141,156)	-	
8300	Total other comprehensive income (loss) for the year		<u>\$ 228,482</u>	<u>1 (\$ 28,913)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 8,535,845</u>	<u>15 \$ 7,274,074</u>	<u>14</u>
Profit attributable to:					
8610	Shareholders of the parent		\$ 8,250,224	14 \$ 7,247,955	14
8620	Non-controlling interest		57,139	- 55,032	-
			<u>\$ 8,307,363</u>	<u>14 \$ 7,302,987</u>	<u>14</u>
Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$ 8,510,806	15 \$ 7,231,759	14
8720	Non-controlling interest		25,039	- 42,315	-
			<u>\$ 8,535,845</u>	<u>15 \$ 7,274,074</u>	<u>14</u>
Basic earnings per share					
9750	Profit for the year	6(26)	<u>\$ 10.67</u>	<u>\$ 9.40</u>	
Diluted earnings per share					
9850	Profit for the year	6(26)	\$ 10.51	\$ 9.27	

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										Non-controlling interest	Total equity
	Share Capital			Retained Earnings			Other Equity Interest					
	Common capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements differences of translation foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation	Total		
For the year ended December 31, 2020												
Balance at January 1, 2020	\$ 6,999,230	\$ 4,870	\$ 7,397,029	\$ 6,285,079	\$ 798,763	\$ 11,515,121	\$ 878,261	\$ 30,970	\$ 1,298	\$ 32,154,099	\$ 577,361	\$ 32,731,460
Consolidated profit for the year	-	-	-	-	-	7,247,955	-	-	-	7,247,955	55,032	7,302,987
Other comprehensive income (loss) for the year	-	-	-	-	-	(20,332)	(128,374)	132,510	-	(16,196)	(12,717)	(28,913)
Total comprehensive income (loss) for the year	-	-	-	-	-	7,227,623	(128,374)	132,510	-	7,231,759	42,315	7,274,074
Appropriations of 2019 earnings												
Legal reserve	-	-	-	735,122	-	(735,122)	-	-	-	-	-	-
Special reserve	-	-	-	-	47,230	(47,230)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(5,463,198)	-	-	(5,463,198)	-	-	(5,463,198)
Stock dividends	700,410	-	-	-	-	(700,410)	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of employee share options	19,815	(1,780)	121,652	-	-	-	-	-	-	139,687	(11,443)	(11,443)
Compensation costs recognized for employee share options	-	-	365,248	-	-	-	-	-	-	365,248	-	365,248
Changes in associates and joint ventures accounted for under equity method	-	-	43,140	-	-	-	-	-	179	43,319	-	43,319
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(8,678)	-	-	(34,762)	-	-	-	(43,440)	891	(42,549)
Changes in ownership interests in subsidiaries	-	-	(4,637)	-	-	(12,681)	-	-	-	(17,318)	27,143	9,825
Disposal of financial assets at fair value through other comprehensive income owned by associates	-	-	-	-	-	(9,828)	-	9,828	-	-	-	-
Balance at December 31, 2020	\$ 7,719,455	\$ 3,090	\$ 7,913,754	\$ 7,020,201	\$ 845,993	\$ 11,739,513	\$ 1,006,635	\$ 173,308	\$ 1,477	\$ 34,410,156	\$ 636,267	\$ 35,046,423
For the year ended December 31, 2021												
Balance at January 1, 2021	\$ 7,719,455	\$ 3,090	\$ 7,913,754	\$ 7,020,201	\$ 845,993	\$ 11,739,513	\$ 1,006,635	\$ 173,308	\$ 1,477	\$ 34,410,156	\$ 636,267	\$ 35,046,423
Consolidated profit for the year	-	-	-	-	-	8,250,224	-	-	-	8,250,224	57,139	8,307,363
Other comprehensive income (loss) for the year	-	-	-	-	-	(4,040)	(569,302)	833,924	-	260,582	(32,100)	228,482
Total comprehensive income (loss) for the year	-	-	-	-	-	8,246,184	(569,302)	833,924	-	8,510,806	25,039	8,535,845
Appropriations of 2020 earnings												
Legal reserve	-	-	-	717,035	-	(717,035)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,143)	14,143	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(5,480,813)	-	-	(5,480,813)	-	-	(5,480,813)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of employee share options	18,773	3,320	185,822	-	-	-	-	-	-	207,915	(25,675)	207,915
Compensation costs recognized for employee share options	-	-	291,441	-	-	-	-	-	-	291,441	-	291,441
Changes in associates and joint ventures accounted for under equity method	-	-	(25,474)	-	-	(80,199)	-	-	-	(105,673)	-	(105,673)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	23,128	-	-	(3,401)	-	-	-	19,727	-	19,727
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	215	-	-	(1,247)	-	-	-	(1,032)	(75,664)	(75,664)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(11,435)	-	11,435	-	-	(49,703)	(50,735)
Balance at December 31, 2021	\$ 7,738,228	\$ 6,410	\$ 8,388,886	\$ 7,737,236	\$ 831,850	\$ 13,705,710	\$ 1,575,937	\$ 1,018,667	\$ 1,477	\$ 37,852,527	\$ 510,264	\$ 38,362,791

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

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 10,255,342	\$ 9,128,361
Adjustments items			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(24)	828,168	792,808
Amortisation	6(10)(24)	268,703	175,394
Expected credit impairment loss (reversal of impairment loss)		3,857	(10,608)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(22)	(131,863)	(8,571)
Finance costs	6(23)	15,668	20,176
Interest income		27,467	39,632
Dividend income		185,473	99,326
Compensation costs of employee share options	6(14)	291,468	365,248
Share of profit of associates accounted for under equity method	6(7)	263,940	166,036
(Gain) loss on disposal of property, plant and equipment	6(22)	58,183	25,293
(Gain) loss on disposal of investments	6(22)	1,426	574
Others		22,469	-
Impairment loss	6(10)(22)	292,574	245,917
Changes in assets and liabilities to operating activities			
Changes in assets to operating activities			
Financial assets at fair value through profit or loss		2,032,564	(1,792,887)
Notes receivable		146,689	(346,703)
Accounts receivable		1,362,058	416,710
Accounts receivable - related parties		9,170	(8,576)
Other receivables (including related parties)		2,021	44,889
Inventories		4,703,866	(29,767)
Other current assets		347,916	204,660
Changes in liabilities to operating activities			
Financial liabilities at fair value through profit or loss		18,357	-
Contract liabilities - current		193,640	(62,666)
Notes and accounts payable		3,160,528	(559,582)
Other payables		658,097	284,784
Provision for liabilities		32,412	(44,525)
Other current liabilities		109,211	(24,764)
Other non-current liabilities		81,724	(6,905)
Cash inflow generated from operations		10,947,100	8,504,266
Interest received		27,467	39,632
Dividends received		185,473	99,326
Interest paid		(1,024)	(3,957)
Income tax paid		(2,027,449)	(560,701)
Net cash flows provided by operating activities		9,131,567	8,078,566
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(13,808)	(651,249)
Proceeds from disposal of financial assets at amortised cost		50,194	790,975
Acquisition of financial assets at fair value through other comprehensive income		-	(44,719)
Proceeds from disposal of financial assets at fair value through other comprehensive income		16	-
Cash returned from capital reduction of financial assets at fair value through other comprehensive income		17,980	-
Acquisition of investments accounted for under equity method	6(7)	(398,868)	(383,086)
Proceeds from disposal of investments accounted for under equity method	6(7)	8,676	7,656
Net cash flow from acquisition of subsidiaries	6(28)	-	(2,724)
Acquisition of property, plant and equipment	6(8)	(1,022,442)	(619,025)
Proceeds from disposal of property, plant and equipment		135,209	46,086
Acquisition of intangible assets	6(10)	(186,074)	(136,448)
Increase in refundable deposits		(8,365)	(2,641)
Decrease in other non-current assets		3,427	-
Dividends received from associates		151,729	163,216
(Increase) decrease in prepayments for business facilities		(13,450)	23,075
Net cash flows used in investing activities		(1,275,776)	(808,884)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(29)	90,830	(65,200)
Repayments of long-term borrowings	6(29)	-	(42,393)
(Decrease) increase in guarantee deposits received		714	28
Payment of lease liabilities	6(9)(29)	(248,716)	(239,314)
Payment of cash dividends	6(17)	(5,480,813)	(5,463,198)
Employee share options exercised		199,865	139,687
Dividends paid to non-controlling interests		(25,675)	(11,443)
Liquidation of subsidiary and refund of shares to non-controlling interests		(73,125)	-
Change in non-controlling interest	6(27)	(25,262)	(32,724)
Net cash flows used in financing activities		(5,563,610)	(5,714,557)
Effect of exchange rate changes		(488,471)	(61,619)
Net increase in cash and cash equivalents		1,803,710	1,493,506
Cash and cash equivalents at beginning of year		7,497,442	6,003,936
Cash and cash equivalents at end of year		\$ 9,301,152	\$ 7,497,442

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ADVANTECH CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheet of ADVANTECH CO., LTD. as at December 31, 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of ADVANTECH CO., LTD. as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Independent Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of ADVANTECH CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of ADVANTECH CO., LTD.'s 2021 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for ADVANTECH CO., LTD.'s 2021 financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(11) for the accounting policies on the valuation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for the valuation of inventories, and Note 6(5) for the details for inventory valuation. ADVANTECH CO., LTD.'s inventory and allowance for inventory valuation as at December 31, 2021 are \$6,904,782 thousand and \$408,331 thousand, respectively.

ADVANTECH CO., LTD. is primarily engaged in the manufacture and sales of embedded computer boards, industrial automation products, applied computers and industrial computers. Due to the rapid changes in technological environment and industrial characteristics, inventories of ADVANTECH CO., LTD. are available in different sizes and types. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, we considered the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in ADVANTECH CO., LTD. and its subsidiaries (recognised as investments accounted for under equity method) for the above matter are as follows:

1. Obtained an understanding of the policy on allowance for inventory valuation loss to assess the reasonableness of application.
2. Validated the accuracy of the system logic in calculating the ageing of inventories.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Recognition of sales revenue

Description

Refer to Note 4(28) for the accounting policies on the recognition of sales revenue.

Due to the changes in technology and environment, the development of new energy-related industries as well as digital transformation have been accelerated. As a result of the rapid development in the industrial computers industry, ADVANTECH CO., LTD. and its subsidiaries had a significant growth in its revenue for the year ended December 31, 2021, particularly from revenue generated through its channels/distributors. Thus, we considered the recognition of revenues from channels/distributors as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in ADVANTECH CO., LTD. and its subsidiaries (recognised as investments accounted for under equity method) for the above matter are as follows:

1. Obtained an understanding of and assessed internal controls in relation to sales revenue, and assessed the operating effectiveness.
2. Obtained a detailed listing of sales revenue from channels/distributors for the current year, and validated supporting documents to ensure the appropriateness of recognition.
3. Inspected contents and relevant evidences to confirm whether there were any significant or unusual sales returns and discounts occurring subsequent to the reporting period.
4. Performed accounts receivable confirmation procedure to significant customers.

Other matter - Audit Scope

The comparative information of ADVANTECH CO., LTD. as at and for the year ended December 31, 2020 were audited by other auditors, whose report dated March 5, 2021 expressed an unqualified opinion on those statements.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of ADVANTECH CO., LTD.

Independent auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of ADVANTECH CO., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of ADVANTECH CO., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ADVANTECH CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ADVANTECH CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Liang, Hua-Ling

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2022

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

ADVANTECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash	6(1)	\$ 3,608,918	7	\$ 2,062,596	5
1110	Financial assets at fair value through profit or loss - current	6(2)	1,081,067	2	3,652,818	8
1150	Notes receivable, net	6(4)	65,229	-	20,508	-
1160	Notes receivable - related parties	7	-	-	6,775	-
1170	Accounts receivable, net	6(4)	1,408,798	3	1,131,586	2
1180	Accounts receivable - related parties	7	6,127,176	12	4,936,420	11
1200	Other receivables		30,803	-	131,950	-
1210	Other receivables - related parties	7	17,966	-	26,355	-
130X	Inventories	6(5)	6,496,451	12	3,697,499	8
1470	Other current assets		265,057	-	54,446	-
11XX	Total current assets		99,101,465	36	15,720,953	34
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,981,237	4	1,332,435	3
1550	Investments accounted for under equity method	6(6)	23,744,210	45	21,703,009	47
1600	Property, plant and equipment	6(7) and 7	6,926,491	13	6,549,679	14
1755	Right-of-use assets	6(8)	7,541	-	7,860	-
1780	Intangible assets	6(9)	247,722	1	219,585	1
1840	Deferred income tax assets	6(22)	720,411	1	484,765	1
1915	Prepayments for business facilities		38,393	-	46,051	-
1990	Other non-current assets		9,851	-	6,132	-
15XX	Total non-current assets		33,675,856	64	30,349,516	66
1XXX	Total assets		\$ 52,777,321	100	\$ 46,070,469	100

(Continued)

ADVANTECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		\$ 2,687	-	\$ 21,044	-
2130	Contract liabilities - current	6(17)	108,896	-	79,331	-
2170	Notes and accounts payable		4,589,558	9	2,170,501	5
2180	Accounts payable - related parties	7	1,924,592	4	1,793,372	4
2200	Other payables	6(10)	3,075,486	6	2,492,198	5
2220	Other payables - related parties	7	123,036	-	64,173	-
2230	Current income tax liabilities		2,340,847	4	2,170,762	5
2250	Provision for liabilities - current		70,859	-	60,663	-
2280	Lease liabilities - current	6(8)(24)	5,174	-	3,044	-
2300	Other current liabilities		131,750	-	136,612	-
21XX	Total current liabilities		12,372,885	23	8,991,700	19
Non-current liabilities						
2560	Current income tax liabilities - non-current		97,320	-	291,961	1
2570	Deferred income tax liabilities	6(22)	2,110,111	4	2,030,161	4
2580	Lease liabilities - non-current	6(8)(24)	2,262	-	4,678	-
2600	Other non-current liabilities	6(11)	342,216	1	341,813	1
25XX	Total non-current liabilities		2,551,909	5	2,668,613	6
2XXX	Total liabilities		14,924,794	28	11,660,313	25
Equity						
	Share capital	6(13)				
3110	Common share		7,738,228	15	7,719,455	17
3140	Advance receipts for share capital		6,410	-	3,090	-
	Capital surplus	6(14)				
3200	Capital surplus		8,388,886	15	7,913,754	17
	Retained earnings	6(15)				
3310	Legal reserve		7,737,236	15	7,020,201	15
3320	Special reserve		831,850	2	845,993	2
3350	Unappropriated retained earnings		13,705,710	26	11,739,513	26
	Other equity	6(16)				
3400	Other equity		(555,793)	(1)	(831,850)	(2)
3XXX	Total equity		37,852,527	72	34,410,156	75
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 52,777,321	100	\$ 46,070,469	100

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

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			For the years ended December 31,			
			2021		2020	
Items		Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 41,159,286	100	\$ 34,391,042	100
5000	Operating costs	6(5)(7)(8)(9)(11) (12)(21) and 7	(28,750,865)	(70)	(23,076,590)	(67)
5900	Gross profit		12,408,421	30	11,314,452	33
5910	Unrealised profit from sales		(691,983)	(2)	(612,224)	(2)
5920	Realised profit from sales		612,224	2	695,422	2
5950	Gross profit		12,328,662	30	11,397,650	33
	Operating expenses	6(7)(8)(9)(11)(12) (21) and 7				
6100	Selling expenses		(760,407)	(2)	(654,808)	(2)
6200	General and administrative expenses		(1,110,599)	(3)	(862,047)	(3)
6300	Research and development expenses		(3,070,694)	(7)	(2,916,152)	(8)
6450	Expected credit impairment (loss) gain		(687)	-	7,247	-
6000	Total operating expenses		(4,942,387)	(12)	(4,425,760)	(13)
6900	Operating profit		7,386,275	18	6,971,890	20
	Non-operating income and expenses					
7100	Interest income		178	-	468	-
7010	Other income	6(18) and 7	302,570	1	198,129	-
7020	Other gains and losses	6(2)(6)(19)	(215,052)	-	(45,614)	-
7050	Finance costs	6(8)(20)	(202)	-	(710)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	2,239,031	5	1,616,477	5
7000	Total non-operating income and expenses		2,326,525	6	1,768,750	5
7900	Profit before income tax		9,712,800	24	8,740,640	25
7950	Income tax expense	6(22)	(1,462,576)	(4)	(1,492,685)	(4)
8200	Profit for the year		\$ 8,250,224	20	\$ 7,247,955	21

(Continued)

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		For the years ended December 31,			
		2021		2020	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans	6(11)			
		(\$ 4,716)	-	(\$ 22,010)	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(16)			
		648,802	2	108,050	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(6)(16)			
		184,855	-	21,736	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)			
		943	-	4,402	-
8310	Other comprehensive income that will not be reclassified to profit or loss				
		829,884	2	112,178	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)			
		(653,773)	(1)	(139,036)	-
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(6)(16)			
		(57,855)	-	(21,431)	-
8399	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)			
		142,326	-	32,093	-
8360	Other comprehensive loss that will be reclassified to profit or loss				
		(569,302)	(1)	(128,374)	-
8300	Total other comprehensive income (loss) for the year				
		\$ 260,582	1	(\$ 16,196)	-
8500	Total comprehensive income for the year				
		\$ 8,510,806	21	\$ 7,231,759	21
Basic earnings per share					
9750	Profit for the year	6(23)			
		\$ 10.67		\$ 9.40	
Diluted earnings per share					
9850	Profit for the year	6(23)			
		\$ 10.51		\$ 9.27	

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

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Share Capital			Retained Earnings			Other Equity Interest				
	Notes	Common share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation	Total equity
For the year ended December 31, 2020											
Balance at January 1, 2020		\$ 6,999,230	\$ 4,870	\$ 7,397,029	\$ 6,285,079	\$ 798,763	\$ 11,515,121	(\$ 878,261)	\$ 30,970	\$ 1,298	\$ 32,154,099
Profit for the year		-	-	-	-	-	7,247,955	-	-	-	7,247,955
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	-	(20,332)	(128,374)	132,510	-	(16,196)
Total comprehensive income (loss) for the year		-	-	-	-	-	7,227,623	(128,374)	132,510	-	7,231,759
Appropriations of 2019 earnings	6(15)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	735,122	-	(735,122)	-	-	-	-
Special reserve		-	-	-	-	47,230	(47,230)	-	-	-	-
Cash dividends		-	-	-	-	-	(5,463,198)	-	-	-	(5,463,198)
Stock dividends		700,410	-	-	-	-	(700,410)	-	-	-	-
Recognition of employee share options	6(12)	19,815	(1,780)	121,652	-	-	-	-	-	-	139,687
Compensation costs recognised for employee share options	6(12)	-	-	365,248	-	-	-	-	-	-	365,248
Changes in associates and joint ventures accounted for under equity method	6(14)(16)	-	-	43,140	-	-	-	-	-	179	43,319
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(14)	-	-	(8,678)	-	-	(34,762)	-	-	-	(43,440)
Changes in ownership interests in subsidiaries	6(14)	-	-	(4,637)	-	-	(12,681)	-	-	-	(17,318)
Disposal of financial assets at fair value through other comprehensive income owned by associates	6(16)	-	-	-	-	-	(9,828)	-	9,828	-	-
Balance at December 31, 2020		\$ 7,719,455	\$ 3,090	\$ 7,913,754	\$ 7,020,201	\$ 845,993	\$ 11,739,513	(\$ 1,006,635)	\$ 173,308	\$ 1,477	\$ 34,410,156
For the year ended December 31, 2021											
Balance at January 1, 2021		\$ 7,719,455	\$ 3,090	\$ 7,913,754	\$ 7,020,201	\$ 845,993	\$ 11,739,513	(\$ 1,006,635)	\$ 173,308	\$ 1,477	\$ 34,410,156
Profit for the year		-	-	-	-	-	8,250,224	-	-	-	8,250,224
Other comprehensive income (loss) for the year	6(16)	-	-	-	-	-	(4,040)	(569,302)	833,924	-	260,582
Total comprehensive income (loss) for the year		-	-	-	-	-	8,246,184	(569,302)	833,924	-	8,510,806
Appropriations of 2020 earnings	6(15)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	717,035	-	(717,035)	-	-	-	-
Reversal of special reserve		-	-	-	-	(14,143)	14,143	-	-	-	-
Cash dividends		-	-	-	-	-	(5,480,813)	-	-	-	(5,480,813)
Recognition of employee share options	6(12)(13)	18,773	3,320	185,822	-	-	-	-	-	-	207,915
Compensation costs recognised for employee share options	6(12)	-	-	291,441	-	-	-	-	-	-	291,441
Changes in associates and joint ventures accounted for under equity method	6(14)	-	-	(25,474)	-	-	(80,199)	-	-	-	(105,673)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(14)	-	-	23,128	-	-	(3,401)	-	-	-	19,727
Changes in ownership interests in subsidiaries	6(14)	-	-	215	-	-	(1,247)	-	-	-	(1,032)
Disposal of financial assets at fair value through other comprehensive income	6(16)	-	-	-	-	-	(11,435)	-	11,435	-	-
Balance at December 31, 2021		\$ 7,738,228	\$ 6,410	\$ 8,388,886	\$ 7,737,236	\$ 831,850	\$ 13,705,710	(\$ 1,575,937)	\$ 1,018,667	\$ 1,477	\$ 37,852,527

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

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		For the years ended December 31,	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 9,712,800	\$ 8,740,640
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(21)	234,036	240,113
Amortisation	6(9)(21)	130,281	93,810
Expected credit impairment loss (reversal of impairment loss)		687	(7,247)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	(66,881)	20,695
Finance costs	6(20)	202	710
Interest income		(178)	(468)
Dividend income	6(18)	(131,626)	(70,673)
Compensation costs of employee share options	6(12)(21)	291,441	365,248
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method		(2,239,031)	(1,616,477)
(Gain) loss on disposal of property, plant and equipment	6(19)	(71,945)	1,881
Loss on disposal of investments		-	1,525
Unrealised profit from sales		691,983	-
Realised profit from sales		(612,224)	(83,198)
Others		(22,469)	-
Impairment loss	6(19)	215,068	-
Changes in assets and liabilities related to operating activities			
Changes in assets related to operating activities			
Financial assets at fair value through profit or loss		2,638,632	(2,031,760)
Notes receivable		(44,721)	13,672
Notes receivable - related parties		6,775	(6,775)
Accounts receivable		(277,899)	188,581
Accounts receivable - related parties		(1,190,756)	280,957
Other receivables		(101,147)	6,272
Other receivables - related parties		8,389	(9,275)
Inventories		(2,798,952)	(79,593)
Other current assets		(210,611)	3,931
Changes in liabilities related to operating activities			
Financial liabilities at fair value through profit or loss		(18,357)	20,523
Contract liabilities - current		29,565	(54,718)
Notes and accounts payable		2,419,057	(148,607)
Accounts payable - related parties		131,220	(294,558)
Other payables		583,288	80,334
Other payables - related parties		58,863	289
Provision for liabilities - current		10,196	(2,560)
Other current liabilities		(4,862)	78,110
Other non-current liabilities		802	100
Net defined benefit liabilities		(4,416)	(4,194)
Cash inflow generated from operations		9,569,504	5,727,288
Dividends received		131,626	70,673
Interest received		178	468
Income tax paid		(1,499,559)	(98,234)
Interest paid		(68)	(710)
Net cash flows provided by operating activities		8,201,681	5,699,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for under equity method		(1,166,690)	(164,771)
Dividends received from subsidiaries and associates		384,280	302,354
Proceeds from disposal of subsidiaries		92,123	33,455
Cash received from liquidation of subsidiaries		10,059	-
Acquisition of property, plant and equipment	6(7)	(644,863)	(180,986)
Proceeds from disposal of property, plant and equipment		127,217	497
Acquisition of intangible assets	6(9)	(151,097)	(86,782)
Increase in prepayments for business facilities		(13,084)	(27,964)
(Increase) decrease in refundable deposits		(3,719)	2,297
Net cash flows used in investing activities		(1,365,774)	(121,900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in guarantee deposits received		(700)	-
Payments of lease liabilities	6(24)	(7,937)	(8,353)
Payments of cash dividends	6(15)	(5,480,813)	(5,463,198)
Employee share options exercised		199,865	139,687
Net cash flows used in financing activities		(5,289,585)	(5,331,864)
Net increase in cash and cash equivalents		1,546,322	245,721
Cash and cash equivalents at beginning of year		2,062,596	1,816,875
Cash and cash equivalents at end of year		\$ 3,608,918	\$ 2,062,596

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

Advantech Co., Ltd.
2021 Profit Distribution Table

Item	Total
Unappropriated retained earnings - beginning	5,555,807,602
Less: using the equity method adjusted in retained earnings	(84,847,981)
Less: remeasurements of the defined benefit recognized in retained earnings	(4,039,040)
Less: cumulative profit or loss of disposals of investments in equity instruments designated as at fair value through other comprehensive income directly transferred to retained earnings	(11,434,540)
Adjusted Unappropriated Retained Earnings	5,455,486,041
Add: Net income	8,250,223,955
Less: 10% legal reserve appropriated	(814,990,239)
Reversed special reserve	276,056,151
Current earnings available for distribution	13,166,775,908
Distributions:	
Common stock cash dividend (Dividends Per Share \$8)	(6,195,710,488)
Unappropriated retained earnings - ending	6,971,065,420

Chairman: K.C. Liu

President: Eric Chen
Miller Chang
Linda Tsai

Chief Financial officer: Mandy Lin

Advantech Co., Ltd.
Corporate Charter (Articles of Incorporation) Article Amendments Table

After amendment	Before amendment	Remark
<p>Article 9</p> <p>Shareholders' meeting includes general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is held annually and it is convened by the board of directors lawfully six months after the fiscal year. Extraordinary shareholders' meeting is convened when it is necessary.</p> <p><u>The Company may hold a shareholders meeting by means of a visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>Article 9</p> <p>Shareholders' meeting includes general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is held annually and it is convened by the board of directors lawfully six months after the fiscal year. Extraordinary shareholders' meeting is convened when it is necessary.</p>	<p>According to the actual practice</p>
<p>Article 22</p> <p>The Corporate Charter (Article of Incorporation) was established on September 25, 1981 (the first time ~ Twentieth are omitted).</p> <p>The 21st amendment of the Corporate Charter (Article of Incorporation) was made on May 2, 2003.</p> <p>The 22nd amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2003.</p> <p>The 23rd amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2005.</p> <p>The 24th amendment of the Corporate Charter (Article of Incorporation) was made on November 18, 2005.</p> <p>The 25th amendment of the Corporate Charter (Article of Incorporation) was made on June 16, 2006.</p> <p>The 26th amendment of the Corporate Charter (Article of Incorporation) was made on June 15, 2007.</p> <p>The 27th amendment of the Corporate Charter (Article of Incorporation) was made on June 12, 2008.</p> <p>The 28th amendment of the Corporate Charter (Article of Incorporation) was made on May 15, 2009.</p> <p>The 29th amendment of the Corporate Charter (Article of Incorporation) was made on May 18, 2010.</p> <p>The 30th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2011.</p>	<p>Article 22</p> <p>The Corporate Charter (Article of Incorporation) was established on September 25, 1981 (the first time ~ Twentieth are omitted).</p> <p>The 21st amendment of the Corporate Charter (Article of Incorporation) was made on May 2, 2003.</p> <p>The 22nd amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2003.</p> <p>The 23rd amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2005.</p> <p>The 24th amendment of the Corporate Charter (Article of Incorporation) was made on November 18, 2005.</p> <p>The 25th amendment of the Corporate Charter (Article of Incorporation) was made on June 16, 2006.</p> <p>The 26th amendment of the Corporate Charter (Article of Incorporation) was made on June 15, 2007.</p> <p>The 27th amendment of the Corporate Charter (Article of Incorporation) was made on June 12, 2008.</p> <p>The 28th amendment of the Corporate Charter (Article of Incorporation) was made on May 15, 2009.</p> <p>The 29th amendment of the Corporate Charter (Article of Incorporation) was made on May 18, 2010.</p> <p>The 30th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2011.</p>	<p>Update the date of the amendment</p>

After amendment	Before amendment	Remark
<p>The 31st amendment of the Corporate Charter (Article of Incorporation) was made on June 13, 2012.</p> <p>The 32nd amendment of the Corporate Charter (Article of Incorporation) was made on June 18, 2014.</p> <p>The 33rd amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2015.</p> <p>The 34th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2016.</p> <p>The 35th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2017.</p> <p>The 36th amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2018.</p> <p>The 37th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2019.</p> <p>The 38th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2020.</p> <p>The 39th amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2021.</p> <p><u>The 40th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2022.</u></p>	<p>The 31st amendment of the Corporate Charter (Article of Incorporation) was made on June 13, 2012.</p> <p>The 32nd amendment of the Corporate Charter (Article of Incorporation) was made on June 18, 2014.</p> <p>The 33rd amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2015.</p> <p>The 34th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2016.</p> <p>The 35th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2017.</p> <p>The 36th amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2018.</p> <p>The 37th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2019.</p> <p>The 38th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2020.</p> <p>The 39th amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2021.</p>	

Advantech Co., Ltd.**Procedures for the Acquisition or Disposal of Assets**

After amendment	Before amendment	Remark
<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulation of the trade associations to which they belong and consider</u> the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as 	<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as 	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and <u>reasonable</u>, and that they have complied with applicable laws and regulations.</p>	<p>the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3.They shall undertake an item-by-item evaluation of the <u>comprehensiveness</u>, <u>accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4.They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable</u> and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	
<p>Article 9</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p>	<p>Article 9</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of <u>Statement of Auditing Standards No. 20</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
<p>Article 10 Procedures for Acquisition or Disposal of Securities</p> <p>1. Evaluation and Operating Procedures The transaction processes of securities shall be handled in accordance with the operating procedures for investment circulation in the Company's internal control system.</p> <p>2. Procedures for Determining Trading Terms and Conditions and Authorization Limit</p> <p>(1) The trading terms and conditions and authorization limit of securities traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) shall be determined by the responsible unit based on the</p>	<p>Article 10 Procedures for Acquisition or Disposal of Securities</p> <p>1. Evaluation and Operating Procedures The transaction processes of securities shall be handled in accordance with the operating procedures for investment circulation in the Company's internal control system.</p> <p>2. Procedures for Determining Trading Terms and Conditions and Authorization Limit</p> <p>(1) The trading terms and conditions and authorization limit of securities traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) shall be determined by the responsible unit based on the</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>market condition and the Company's authorization limit and handled by the related unit supervisors. The amount of each transaction exceeding NT\$300 million shall be reported to the Board of Directors for approval.</p> <p>(2) The trading terms and conditions and authorization limit of securities not traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) shall be determined by the Company by obtaining financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the trading price and taking into account the net value per share, profitability, and trend of future development and handled by the related unit supervisors. The amount of each transaction exceeding NT\$300 million shall be reported to the Board of Directors for approval.</p> <p>(3) The acquisition of money market funds with fixed income shall be approved by the authorized financial officer.</p> <p>3. Units Responsible for Implementation After the investment in securities is approved based on the authorization limit of the Company, the finance unit is responsible for implementation.</p> <p>4. Expert Opinion The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of</p>	<p>market condition and the Company's authorization limit and handled by the related unit supervisors. The amount of each transaction exceeding NT\$300 million shall be reported to the Board of Directors for approval.</p> <p>(2) The trading terms and conditions and authorization limit of securities not traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) shall be determined by the Company by obtaining financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the trading price and taking into account the net value per share, profitability, and trend of future development and handled by the related unit supervisors. The amount of each transaction exceeding NT\$300 million shall be reported to the Board of Directors for approval.</p> <p>(3) The acquisition of money market funds with fixed income shall be approved by the authorized financial officer.</p> <p>3. Units Responsible for Implementation After the investment in securities is approved based on the authorization limit of the Company, the finance unit is responsible for implementation.</p> <p>4. Expert Opinion The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so</u></p>	

After amendment	Before amendment	Remark
<p>securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(1) Securities acquired through cash contribution in an incorporation by promotion or by public offering.</p> <p>(2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.</p> <p>(3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.</p> <p>(4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.</p> <p>(5) Government bonds or bonds in repurchase or reverse purchase agreements.</p> <p>(6) Domestic funds or overseas funds.</p> <p>(7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.</p> <p>(8) Securities acquired through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.</p> <p>(9) Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's 1 November 2004 Order No. Financial-Supervisory-Securities-I V-0930005249.</p> <p>(10) Subscription or redemption of</p>	<p><u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(1) Securities acquired through cash contribution in an incorporation by promotion or by public offering.</p> <p>(2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.</p> <p>(3) Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.</p> <p>(4) Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.</p> <p>(5) Government bonds or bonds in repurchase or reverse purchase agreements.</p> <p>(6) Domestic funds or overseas funds.</p> <p>(7) TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.</p> <p>(8) Securities acquired through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.</p> <p>(9) Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's 1 November 2004 Order No. Financial-Supervisory-Securities-I V-0930005249.</p> <p>(10) Subscription or redemption of</p>	

After amendment	Before amendment	Remark
domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.	domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.	
<p>Article 11</p> <p>Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 11</p> <p>Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	According to the governing law and regulations
<p>Article 15</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, regardless of the amount, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party at the amount reaching 20% of the Company's paid-in capital, 10% of its total assets or NT\$300 million, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all Audit Committee members and the Board of Directors:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real 	<p>Article 15</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, regardless of the amount, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party at the amount reaching 20% of the Company's paid-in capital, 10% of its total assets or NT\$300 million, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all Audit Committee members and the Board of Directors:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real 	According to the governing law and regulations

After amendment	Before amendment	Remark
<p>property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31 and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 9 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>When the Company or any subsidiary that is not a domestic public company engages</u></p>	<p>property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31 and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the audit committee need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 9 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted to the Board of Directors for discussion pursuant to the</p>	

After amendment	Before amendment	Remark
<p><u>in the transaction mentioned in Paragraph 1 and the transaction amount reaches ten percent or more of the Company's total assets, the Company shall neither enter the transaction contract nor pay until the information mentioned in Paragraph 1 has been adopted in a shareholders meeting. However, this does not apply to transactions between the Company and its parent company or subsidiaries, or between its subsidiaries. The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2, Article 31 herein, and "within the preceding year" as used herein shall refer to the year preceding the date of occurrence of the current transaction. Items that have been submitted to a shareholders meeting and the Board of Directors for approval and ratified by the Audit Committee need not be counted toward the transaction amount.</u></p> <p>When a matter is submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, these procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting. The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	<p>preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, these procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting. The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.</p>	
<p>Article 31 Procedures for Public Disclosure of Information Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days</p>	<p>Article 31 Procedures for Public Disclosure of Information Under any of the following circumstances, a public company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1). For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. (2). For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million. 6. Where an asset transaction other than 	<p>counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> (1). For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. (2). For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million. 6. Where an asset transaction other than 	

After amendment	Before amendment	Remark
<p>any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than the country's sovereign credit rating.</u></p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds, or subscription or redemption of exchange-traded notes or futures trust funds, or subscription</u> by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative 	<p>any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1). Trading of domestic government bonds.</p> <p>(2). Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3). Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative 	

After amendment	Before amendment	Remark
<p>acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>A public company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When a public company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>A public company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p>Article 34</p> <p>These Procedures were established on May 3, 1997.</p> <p>The 1st amendment was made on November 29, 1999.</p> <p>The 2nd amendment was made on May 30, 2002.</p> <p>The 3rd amendment was made on May 2, 2003.</p> <p>The 4th amendment was made on May 27, 2004.</p> <p>The 5th amendment was made on June 16, 2006.</p> <p>The 6th amendment was made on June 15,</p>	<p>Article 34</p> <p>These Procedures were established on May 3, 1997.</p> <p>The 1st amendment was made on November 29, 1999.</p> <p>The 2nd amendment was made on May 30, 2002.</p> <p>The 3rd amendment was made on May 2, 2003.</p> <p>The 4th amendment was made on May 27, 2004.</p> <p>The 5th amendment was made on June 16, 2006.</p> <p>The 6th amendment was made on June 15,</p>	<p>Update the date of the amendment</p>

After amendment	Before amendment	Remark
<p>2007.</p> <p>The 7th amendment was made on June 13, 2012.</p> <p>The 8th amendment was made on June 18, 2014.</p> <p>The 9th amendment was made on May 26, 2017.</p> <p>The 10th amendment was made on May 28, 2019.</p> <p><u>The 11st amendment was made on May 26, 2022.</u></p>	<p>2007.</p> <p>The 7th amendment was made on June 13, 2012.</p> <p>The 8th amendment was made on June 18, 2014.</p> <p>The 9th amendment was made on May 26, 2017.</p> <p>The 10th amendment was made on May 28, 2019.</p>	

Advantech Co., Ltd.
Rules and Procedure for Shareholders' Meetings

After amendment	Before amendment	Remark
<p>Article 2</p> <p><u>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.</u></p> <p><u>Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice.</u></p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder, solicitor, and proxy agent (shareholder) attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Where a shareholders meeting is held by means of visual communication network, shareholders shall register on the visual networking platform at least thirty minutes prior to the time the meeting commences.</u> Shareholders who have completed the registration shall be deemed to have attended the shareholders meeting in person.</p> <p>The shareholders or the shareholders' commissioned representatives while attending the meeting should sign on the attendance registry or submit the attendance card instead; also, the number of attending shares is calculated in accordance with the number of shares documented on the attendance</p>	<p>Article 2</p> <p>The Company shall include the information of shareholders reporting time, reporting place, and others on the written notice. The shareholder's reporting to meeting referred to above should be processed at least thirty minutes before the meeting in session; there should be clearly marked signs at the reporting place with sufficient and competent staff at the place to assist. The shareholders or the shareholders' commissioned representatives (hereinafter referred to as "the Shareholders") shall attend the meeting with the attendance certificate, attendance cards, or other identification documents presented; the proxies shall attend the meeting with the identity documents presented for verification. The shareholders or the shareholders' commissioned representatives while attending the meeting should sign on the attendance registry or submit the attendance card instead; also, the number of attending shares is calculated in accordance with the number of shares documented on the attendance card.</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>card.</p> <p><u>Where a shareholders meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall register with the Company two days prior to the shareholders meeting.</u></p> <p><u>Where a shareholders meeting is held by means of visual communication network, the Company shall upload the meeting handbook, annual report, and other information to the visual networking platform at least thirty minutes before the start of the shareholders meeting and shall maintain their availability until the end of the meeting.</u></p> <p><u>When the Company announces the commencement of a shareholders' meeting by means of a visual communication network, it shall disclose the total number of shares held by attending shareholders on the visual networking platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are counted during the meeting.</u></p>		
<p>Article 2.1</p> <p>The attendance and resolution in the shareholders' meeting shall be based on the shares.</p> <p><u>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the number of shares registered on the visual networking platform plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> <p><u>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting.</u></p>	<p>Article 2.1</p> <p>The attendance and resolution in the shareholders' meeting shall be based on the shares.</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p><u>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 one 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 a shareholders meeting is held by means of visual communication network, the Company shall also announce the adjournment of the shareholders meeting on the visual networking platform.</u></p> <p><u>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 one month. If a shareholders meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall re-register with the Company in accordance with Article 2 herein.</u></p>		
<p>Article 2.3 Shareholders' meeting will be held at the Company's premise or a suitable location for the convenience of the shareholders. The starting time of the shareholders' meeting should not be before 9:00am or after 3:00pm.</p> <p><u>When the Company convenes a shareholders meeting by means of visual communication network, it is not subject to the restrictions on the venue for a shareholders meeting</u></p>	<p>Article 2.3 Shareholders' meeting will be held at the Company's premise or a suitable location for the convenience of the shareholders. The starting time of the shareholders' meeting should not be before 9:00am or after 3:00pm.</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<u>mentioned in the preceding paragraph.</u>		
<p>Article 2.4</p> <p>The Company should have the proceeding of the shareholders' meeting from the shareholder's reporting to meeting, meeting in session, to votes counting recorded in audio or video uninterruptedly.</p> <p>The audio-visual materials referred to above shall be kept for at least one year; however, they should be reserved until the end of the legal proceeding that is filed by the shareholders in accordance with Article 189 of the Company Law.</p> <p><u>When a shareholders meeting is held by means of visual communication network, the Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results and make uninterrupted audio and video recording of the shareholders meeting.</u></p> <p><u>The information and the audio and video recording mentioned in the preceding paragraph shall be properly retained by the Company throughout the life of the Company, and the audio and video recording shall be sent to an institution that is entrusted to handle video conferencing affairs for retention.</u></p> <p><u>When a shareholders meeting is held by means of visual communication network, the Company shall make an audio and video recording of the backend user interface of the visual networking platform.</u></p>	<p>Article 2.4</p> <p>The Company should have the proceeding of the shareholders' meeting from the shareholder's reporting to meeting, meeting in session, to votes counting recorded in audio or video uninterruptedly.</p> <p>The audio-visual materials referred to above shall be kept for at least one year; however, they should be reserved until the end of the legal proceeding that is filed by the shareholders in accordance with Article 189 of the Company Law.</p>	<p>According to the governing law and regulations</p>
<p>Article 2.5</p> <p><u>When the Company holds a shareholders meeting by means of visual communication network, it shall specify the following matters in the shareholders meeting notice: (1)Methods for shareholders to attend and exercise their rights in a shareholders meeting held by means of visual</u></p>		<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p><u>communication network.</u></p> <p><u>(2)Methods for handling obstacles to the visual networking platform or attendance at a shareholders meeting by means of visual communication network due to natural disasters, incidents, or other force majeure circumstances, including but not limited to:</u></p> <p><u>a. Where the aforesaid obstacles cannot be removed, the Company shall set a time limit for the postponement or reconvention of the shareholders meeting, as well as the date for the postponed or reconvened shareholders meeting if applicable.</u></p> <p><u>b. Shareholders who have not registered to attend the original shareholders meeting by means of visual communication network shall not attend the postponed or reconvened shareholders meeting.</u></p> <p><u>c. When the Company holds a video-assisted shareholders meeting and fails to proceed with the meeting by means of visual communication network, the shareholders meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by shareholders attending the meeting by means of visual communication network, reaches the quorum. For shareholders attending the meeting by means of visual communication network, the number of shares held by them shall be included in the total number of shares held by the attending shareholders, but they shall be deemed to have waived their rights with respect to all proposals in the shareholders meeting.</u></p> <p><u>d. Methods for handling the situation where all proposals have been resolved without extraordinary motions.</u></p>		

After amendment	Before amendment	Remark
(3)When convening a shareholders meeting by means of visual communication network, the Company shall specify appropriate alternatives for shareholders who may have difficulty attending the meeting by means of visual communication network.		
<p>Article 6</p> <p>The attending shareholders who wish to speak at the meeting must first fill out the speech note with the gist, shareholders account number, and name detailed to the Chairman in advance and the Chairman shall prioritize the speaking order.</p> <p>Attending shareholders who have submitted a speech note but failed to give a speech at the meeting is deemed as a non-speaker. If the speech made by the shareholder differs from the contents of the speech note submitted, the speech shall prevail.</p> <p>The attending shareholders may not interrupt the speaking shareholder without the consent of the Chairman and the speaking shareholder. The Chairman must have the interfering shareholder restrained from interrupting the speaking shareholder's speech.</p> <p><u>If a shareholders meeting is held by means of visual communication network, shareholders attending the meeting by means of visual communication network may ask questions in text form on the visual networking platform after the chair declares the commencement of the meeting and before the chair declares the adjournment of the meeting. Up to two questions may be asked per proposal, with each question limited to 200 words. The provisions of Paragraphs 1 to 3 do not apply.</u></p> <p><u>If the questions mentioned in the preceding paragraph do not violate the regulations or go beyond the scope of the proposal, the Company shall make the</u></p>	<p>Article 6</p> <p>The attending shareholders who wish to speak at the meeting must first fill out the speech note with the gist, shareholders account number, and name detailed to the Chairman in advance and the Chairman shall prioritize the speaking order.</p> <p>Attending shareholders who have submitted a speech note but failed to give a speech at the meeting is deemed as a non-speaker. If the speech made by the shareholder differs from the contents of the speech note submitted, the speech shall prevail.</p> <p>The attending shareholders may not interrupt the speaking shareholder without the consent of the Chairman and the speaking shareholder. The Chairman must have the interfering shareholder restrained from interrupting the speaking shareholder's speech.</p>	According to the governing law and regulations

After amendment	Before amendment	Remark
<u>questions public on the visual networking platform.</u>		
<p>Article 12</p> <p>The vote on the motion, unless otherwise provided by the Company Law, is approved by the attending shareholders with a majority shareholding. If there is no objection raised when the Chairman consulted the attending shareholders, it is deemed as approved and the effect is same as voting.</p> <p><u>At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p>	<p>Article 12</p> <p>The vote on the motion, unless otherwise provided by the Company Law, is approved by the attending shareholders with a majority shareholding. If there is no objection raised when the Chairman consulted the attending shareholders, it is deemed as approved and the effect is same as voting.</p>	<p>According to the governing law and regulations</p>
<p><u>Article 12.3</u></p> <p><u>When the Company convenes a shareholders meeting by means of visual communication network, shareholders attending the meeting by means of visual communication network shall vote on the proposals and the election on the visual networking platform after the chair announces the commencement of the meeting and before the chair announces the close of voting. Shareholders failing to vote before the said time limit will be deemed to have abstained.</u></p> <p><u>If a shareholders meeting is held by means of visual communication network, votes shall be counted at a time after the chair announces the close of voting, followed by the announcement of voting and election results.</u></p> <p><u>When the Company holds a video-assisted</u></p>	<p>None</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p><u>shareholders meeting, shareholders who have registered to attend the meeting by means of visual communication network in accordance with Article 2 and intend to attend the meeting in person shall cancel the registration in the same manner as registration two days before the shareholders meeting; shareholders who fail to cancel the registration within the said time limit may only attend the shareholders meeting by means of visual communication network.</u></p> <p><u>Shareholders who exercise their voting rights by correspondence or electronically without revoking their intentions and attend the shareholders meeting by means of visual communication network shall not exercise their voting rights with respect to the original proposals, propose amendments to the original proposals, or exercise their voting rights with respect to the amendments to the original proposals, except for extraordinary motions.</u></p>		
<p>Article 16</p> <p>The resolutions reached in the shareholders' meeting should be documented in the minutes of meeting for the signature or seal of the Chairman; also the minutes of meeting should be distributed to all shareholders within twenty days after the meeting. The Company's minutes of meeting can be distributed to shareholders by an announcement after the public offering of the Company's shares.</p> <p>The preparation and distribution of the minutes of meeting referred to above can be completed in an electronic form.</p> <p><u>If a shareholders meeting is held by means of visual communication network, the minutes at the shareholders meeting shall record the start and end time of the meeting, the method of convening the meeting, and the names of the chairman and the minute</u></p>	<p>Article 16</p> <p>The resolutions reached in the shareholders' meeting should be documented in the minutes of meeting for the signature or seal of the Chairman; also the minutes of meeting should be distributed to all shareholders within twenty days after the meeting. The Company's minutes of meeting can be distributed to shareholders by an announcement after the public offering of the Company's shares.</p> <p>The preparation and distribution of the minutes of meeting referred to above can be completed in an electronic form.</p>	<p>According to the governing law and regulations</p>

After amendment	Before amendment	Remark
<p>taker, as well as the methods and results of handling obstacles to the visual networking platform or attendance by means of visual communication network due to natural disasters, incidents, or other force majeure circumstances, in addition to matters mentioned in the preceding paragraph.</p> <p>When the Company convenes a shareholders meeting by means of visual communication network, it shall specify in the meeting minutes the alternatives provided for shareholders who have difficulty attending the meeting by means of visual communication network while complying with the provisions of the preceding paragraph.</p>		
<p>Article 17</p> <p>If a shareholders meeting is held by means of visual communication network, the Company shall immediately disclose the voting results of the proposals and the election results on the visual networking platform in accordance with the regulations and shall maintain their availability for at least fifteen minutes after the chair announces the adjournment of the meeting.</p>	<p>Article 17</p> <p>The matters that are not addressed in the “Rules of Procedure for Shareholders’ Meetings” should be processed in accordance with the Company Law and the related regulations.</p>	According to the governing law and regulations
<p>Article 18</p> <p>When the Company holds a shareholders meeting by means of visual communication network, the chair and the minute taker shall be at the same place domestically, and the chair shall announce the address of the place at the time of the meeting.</p>	<p>Article 18</p> <p>The “Rules of Procedure for Shareholders’ Meetings” is in effect after it is passed in the shareholders’ meeting, same for the amendments made.</p>	According to the governing law and regulations
<p>Article 19</p> <p>If a shareholders meeting is held by means of visual communication network, the chair shall, when announcing the commencement of the meeting, also announce that, should the meeting be adjourned due to obstacles to the visual networking platform or attendance by means of visual communication network</p>	<p>Article 19</p> <p>These Procedures were established on May 3, 1997.</p> <p>The 1st amendment was made on April 24, 1999.</p> <p>The 2nd amendment was made on May 30, 2002.</p> <p>The 3rd amendment was made on June</p>	According to the governing law and regulations

After amendment	Before amendment	Remark
<p><u>that are caused by natural disasters, incidents, or other force majeure circumstances and last for more than thirty minutes, the meeting shall be postponed or reconvened within five days, as well as the date for the postponed or reconvened meeting, except for the circumstances where there is no need to postpone or reconvene the shareholders meeting as stipulated in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.</u></p> <p><u>Where a shareholders meeting is postponed or reconvened as mentioned in the preceding paragraph, shareholders who have not registered to attend the original shareholders meeting by means of visual communication network shall not attend the postponed or reconvened meeting.</u></p> <p><u>If shareholders who have registered to attend the original shareholders meeting by means of visual communication network and completed the attendance registration fail to attend the shareholders meeting that is adjourned or reconvened in accordance with Paragraph 1, the number of shares held by them and their voting rights and election rights exercised at the original shareholders meeting shall be included in the total number of shares and voting rights and election rights held by the attending shareholders in the adjourned or reconvened meeting.</u></p> <p><u>When a shareholders meeting is postponed or reconvened in accordance with Paragraph 1, there is no need to discuss and resolve again on the proposals whose voting results have been announced after voting and counting of votes or from which a list of elected directors have been announced.</u></p> <p><u>When the Company holds a video-assisted shareholders meeting and fails to proceed with the meeting by means of visual</u></p>	<p><u>16, 2006.</u></p> <p><u>The 4th amendment was made on May 18, 2010</u></p> <p><u>The 5th amendment was made on June 13, 2012.</u></p>	

After amendment	Before amendment	Remark
<p><u>communication network, the shareholders meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by shareholders attending the meeting by means of visual communication network, reaches the quorum. There is no need to postpone or reconvene the shareholders meeting in accordance with Paragraph 1.</u></p> <p><u>If a shareholders meeting shall continue in accordance with the preceding paragraph, the number of shares held by shareholders attending the meeting by means of visual communication network shall be included in the total number of shares held by the attending shareholders; however, shareholders who attend the shareholders meeting by means of visual communication network shall be deemed to have waived their rights with respect to all proposals in the meeting.</u></p> <p><u>When the Company postpones or reconvenes a shareholders meeting in accordance with Paragraph 1, it shall make preparations for the meeting based on the date of the original shareholders meeting and in accordance with Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. The Company shall base the periods prescribed in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and in Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on the date for the shareholders meeting postponed or reconvened in accordance with Paragraph 1.</u></p>		
<p><u>Article 20</u></p> <p><u>When the Company convenes a shareholders</u></p>	None	According to the

After amendment	Before amendment	Remark
<u>meeting by means of visual communication network, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by means of visual communication network.</u>		governing law and regulations
<u>Article 21</u> <u>The matters that are not addressed in the “Rules of Procedure for Shareholders’ Meetings” should be processed in accordance with the Company Law and the related regulations.</u>		According to the governing law and regulations
<u>Article 22</u> <u>The “Rules of Procedure for Shareholders’ Meetings” is in effect after it is passed in the shareholders’ meeting, same for the amendments made.</u>		According to the governing law and regulations
<u>Article 23</u> <u>These Procedures were established on May 3, 1997.</u> <u>The 1st amendment was made on April 24, 1999.</u> <u>The 2nd amendment was made on May 30, 2002.</u> <u>The 3rd amendment was made on June 16, 2006.</u> <u>The 4th amendment was made on May 18, 2010</u> <u>The 5th amendment was made on June 13, 2012.</u> <u>The 6th amendment was made on May 26, 2017.</u> <u>The 7th amendment was made on May 26, 2021.</u>		Update the date of the amendment