

Dynapack International Technology Corporation

2021 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date: June 7, 2021

Venue: 13F., No. 188 Wenhe Road, Guishan District, Taoyuan City

Note to Readers:

If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Dynapack International Technology Corporation
2021 Annual General Shareholders' Meeting
Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Report Matters
4. Acknowledgment Matters
5. Discussion Matters
6. Other Proposals or Extemporaneous Motions
7. Meeting Adjourned



Dynapack International Technology Corporation

2021 Annual General Shareholders' Meeting

Meeting Agenda

Time: 9 a.m., Monday, June 7, 2021

Venue: 13F., No. 188 Wenhe Road, Guishan District, Taoyuan City

1. Call Meeting to Order
2. Chairman's Address
3. Report Matters
 - (1) 2020 Business Report
 - (2) 2020 Audit Committee's review report
 - (3) 2020 employees' and directors' compensation report
 - (4) The Company plans to sell the factory and office building in Guishan District, Taoyuan City and lease back part of building space for operation
 - (5) The amendment to the "Rules of Procedure for Board of Directors Meetings "
 - (6) The amendment to the "Codes of Ethical Conduct"
 - (7) Investment status report in mainland China
4. Acknowledgment Matters
 - (1) 2020 Business report and financial statements
 - (2) 2020 Earnings distribution
5. Discussion Matters
 - (1) The amendment to the "Articles of Incorporation"
6. Other Proposals or Extemporaneous Motions
7. Meeting Adjourned

Report Matters



1. 2020 Business Report

Explanation: Please refer to Attachment (1) for the Business Report.

2. 2020 Audit Committee's review report

Explanation: Please refer the Audit Committee's review report as below:



Dynapack International Technology Corporation

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2020 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements and the Proposal for Earnings Distributions to the Audit Committee. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by CPAs, Kuo Tzu-Jung and Wu Shih-Tsung of Deloitte & Touche, and an Audit Report has been issued. The aforementioned Business Report, Financial Statements and the Proposal for Earnings Distributions have been reviewed by the Audit Committee and we are of the opinion that no discrepancy has been observed. Hence, we submit the report in accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

The above is respectfully submitted to

Dynapack International Technology Corporation

2021 Annual General Shareholders' Meeting

Chairman of the Audit Committee

Tsai, Hwei-Ming

March 15, 2021



3. 2020 Employees' and Directors' compensation

Explanation:

- (1) According to Articles 27 of Articles of Incorporation, if the Company records a profit for the current year, it shall appropriate no less than 3% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation in accordance with the ratio.
- (2) The company appropriated employees' compensation in the amount of NT\$78,412,383 which was 5.75% of net profit before income tax, employees' and directors' compensation. All compensation will be distributed in cash, and employees of affiliated companies are not eligible for the distribution.
- (3) The company appropriated directors' compensation in the amount of NT\$12,000,000 which was 0.88% of net profit before income tax, employees' and directors' compensation.
- (4) This proposal has been resolved by the Company's Compensation Committee and Board of directors on March 9, 2021.



4. The Company plans to sell the factory and office building in Guishan District, Taoyuan City and lease back part of building space for operation

Explanation:

In order to activate assets and raise land development fund, the Company's board of directors approved the signing of the preliminary contract for real estate with Millerful No.1 Real Estate Investment Trust whose trustee is King's Town Bank (hereinafter referred to as the "intended buyer"), and planned to sell the Company's land and all of the above-ground building and underground parking space at No. 55 Lejie Section, Guishan District, Taoyuan City. The scheduled sale price is \$4,500,000 thousand (value-added business tax of building included). Except for the existing lease contracts that will be inherited by the intended buyer, the Company planned to lease back the remaining floors by sale-leaseback for the Company's operation.

5. The amendment to the "Rules of Procedure for Board of Directors Meetings"

Explanation:

- (1) In compliance with the amendment to laws and regulations, the company amended the "Rules of Procedure for Board of Directors Meetings " and the comparison table is as follows:

Article	Amended	Original	Explanation
Article 7	<p>(Chair and acting chair of a board meeting)</p> <p>Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, if the board meeting is convened by more than half of the directors, the directors shall elect one among themselves as the chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>(Chair and acting chair of a board meeting)</p> <p>Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, if the board meeting is convened by more than half of the directors, the directors shall elect one among themselves as the chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	Amendment to Chinese version only. No changes to English translation.
Article 11	<p>(Discussion of proposals)</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which</p>	<p>(Discussion of proposals)</p> <p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which</p>	Adjustment of article number.

Article	Amended	Original	Explanation
	case Article 8, <u>paragraph 5</u> shall apply mutatis mutandis.	case Article 8, <u>paragraph 3</u> shall apply mutatis mutandis.	
Article 12	<p>The matters listed below as they relate to the company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual financial reports. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are</p>	<p>The matters listed below as they relate to the company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Company's business plan. 2. Annual <u>and semi-annual</u> financial reports, <u>with the exception of semi-annual financial reports that are not required to be audited and attested by a certified public accountant (CPA) under relevant laws and regulations.</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year</p>	In compliance with the amendment to laws and regulations.

Article	Amended	Original	Explanation
	<p>exempted from inclusion in the calculation.</p> <p>At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>Article 16</p>	<p>(Meeting minutes and sign-in matters)</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. 4. The names and titles of those attending the meeting as non-voting participants. 5. The name of the minute taker. 6. The matters reported at the meeting. 7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4. 8. Extraordinary motions: The name of the 	<p>(Meeting minutes and sign-in matters)</p> <p>Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:</p> <ol style="list-style-type: none"> 1. The meeting session (or year) and the time and place of the meeting. 2. The name of the chair. 3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. 4. The names and titles of those attending the meeting as non-voting participants. 5. The name of the minute taker. 6. The matters reported at the meeting. 7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4. 8. Extraordinary motions: The name of the 	<p>In compliance with the establishment of the Audit Committee and concerning relevant laws and regulations.</p>

Article	Amended	Original	Explanation
	<p>mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9. Other matters required to be recorded.</p> <p>The occurrence of any <u>of the following circumstances</u>, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission at the specified declaration time in accordance with the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities."</p> <p><u>1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</u></p> <p><u>2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the company.</u></p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the company.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	<p>mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.</p> <p>9. Other matters required to be recorded.</p> <p>The occurrence of any <u>objection or expression of reservations by an independent director with a record or written statement</u>, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the <u>Executive Yuan</u> Financial Supervisory Commission at the specified declaration time in accordance with the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed."</p> <p>1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the company.</p> <p>The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the company.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	



Article	Amended	Original	Explanation
Article 19	<p>These rules of procedure were established on December 29, 2006.</p> <p>The first amendment was made on March 6, 2008.</p> <p>The second amendment was made on June 18, 2010.</p> <p>The third amendment was made on December 21, 2012.</p> <p>The fourth amendment was made on December 31, 2014.</p> <p>The fifth amendment was made on March 6, 2015.</p> <p>The sixth amendment was made on October 30, 2017.</p> <p>The seventh amendment was made on March 4, 2020.</p> <p><u>The eighth amendment was made on October 27, 2020.</u></p>	<p>These rules of procedure were established on December 29, 2006.</p> <p>The first amendment was made on March 6, 2008.</p> <p>The second amendment was made on June 18, 2010.</p> <p>The third amendment was made on December 21, 2012.</p> <p>The fourth amendment was made on December 31, 2014.</p> <p>The fifth amendment was made on March 6, 2015.</p> <p>The sixth amendment was made on October 30, 2017.</p> <p>The seventh amendment was made on March 4, 2020.</p>	<p>The revision dates were added.</p>

(2) Please refer to Attachment (2) for the revised "Rules of Procedure for Board of Directors Meetings".



6. The amendment to the” Codes of Ethical Conduct”

Explanation:

- (1) In compliance with the amendment to laws and regulations, the Company amended the “Codes of Ethical Conduct ” and the comparison tables is as follows:

Amended	Original	Explanation
<p>Article 4 Prevention of conflicts of interest</p> <p>The Personnel shall perform their duties in an objective and efficient manner and shall not take advantages of their positions in the Company to obtain improper benefits either for themselves or their spouses, or relatives within the second degree of kinship.</p> <p>In the case of loans of fund, provisions of guarantees, and major asset transaction or the purchase (or sale) of goods involving the Company and any affiliated enterprise at which the Personnel work, the Personnel shall voluntarily explain whether there is any potential conflicts of interest between them and the Company, and such transactions shall be approved <u>by President and Chairman. Where the transaction is significant, it shall be reported to the Audit Committee.</u></p>	<p>Article 4 Prevention of conflicts of interest</p> <p>The Personnel shall perform their duties in an objective and efficient manner and shall not take advantages of their positions in the Company to obtain improper benefits either for themselves or their spouses, <u>parents, children</u>, or relatives within the second degree of kinship.</p> <p>In the case of loans of fund, provisions of guarantees, and major asset transaction or the purchase (or sale) of goods involving the Company and any affiliated enterprise at which the Personnel work, the Personnel shall voluntarily explain whether there is any potential conflicts of interest between them and the Company, and such transactions shall be approved <u>by one level senior per approved authority table to prevent conflicts of interest.</u></p>	<p>In compliance with the amendment to laws and regulations</p>
<p>Article 10 Encouraging reporting on illegal or unethical activities</p> <p>When employees suspicion or discover any activity violating laws and regulations or the Codes of Ethical Conduct, they shall actively report such violation to the manager, the internal audit manager or other proper supervisor. To encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system and <u>allow anonymous submission.</u> The Company shall process the reported case in a confidential manner and use best efforts to ensure the safety of the informants.</p>	<p>Article 10 Encouraging reporting on illegal or unethical activities</p> <p>When employees suspicion or discover any activity violating laws and regulations or the Codes of Ethical Conduct, they shall actively report such violation to the manager, the internal audit manager or other proper supervisor. To encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system. The Company shall process the reported case in a confidential manner and use best efforts to ensure the safety of the informants.</p>	<p>In compliance with the amendment to laws and regulations (“the informants” amendment to Chinese version only. No changes to English translation.)</p>
<p>Article 14 Enforcement</p> <p>The Company's Codes of Ethical Conduct and any amendments to it, shall enter into force after it has been adopted by the board of directors and submitted to a shareholders meeting.</p>	<p>Article 14 Enforcement</p> <p>The Company's Codes of Ethical Conduct and any amendments to it, shall enter into force after it has been adopted by the board of directors and submitted to a shareholders meeting.</p> <p><u>The amended Article 1, Article 11 and Article 14 shall apply from the date of establishment of the Audit Committee.</u></p>	<p>In compliance with the establishment of the Audit Committee, delete the regulations</p>
<p>Article 15</p> <p>The Codes were established on March 17, 2011. First amendment was made on March 4, 2020. <u>Second amendment was made on March 9, 2021.</u></p>	<p>Article 15</p> <p>The Codes were established on March 17, 2011. First amendment was made on March 4, 2020.</p>	<p>The revision dates were added.</p>

- (2) Please refer to Attachment (3) for the revised " Codes of Ethical Conduct ".



7. Investment status report in mainland China

Explanation: The investment information in mainland China as below:

DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Dynapack (Suchou) Co., Ltd.	Manufacturing and selling various lithium-ion battery packs, nickel-metal hydride battery packs, new electronic components, wireless communication modules, various chargers and technical development of power management systems, etc.	\$ 2,487,238 (US\$ 80,000) (Note 5)	Note 5	\$ 2,229,856 (US\$ 72,100)	\$ -	\$ -	\$ 2,229,856 (US\$ 72,100)	\$ 368,652 (RMB 86,286)	100	\$ 368,652 (RMB 86,286)	\$ 6,637,676	\$ -
Dynapack (Kunshan) Co., Ltd.	Manufacturing and selling computers, various lithium-ion battery packs for communications, nickel-metal hydride battery packs, new electronic components, wireless communication modules, and various chargers	311,580 (US\$ 10,000)	Note 5	311,580 (US\$ 10,000)	-	-	311,580 (US\$ 10,000)	(27,520) (RMB (6,400))	100	(27,520) (RMB (6,400))	404,128	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$2,541,436 (US\$82,100)	\$2,541,436 (US\$82,100)	\$4,393,648

Note 1: The calculation was based on the original investment cost.

Note 2: The calculation was based on the average exchange rate for the year ended December 31, 2020.

Note 3: The basis for investment income (loss) recognition is the financial statements audited and attested by parent company's CPA in the ROC.

Note 4: The paid-in capital includes the original outward remittance for investment from Taiwan of US\$72,100 thousand and the earnings transferred to ordinary shares of US\$7,900 thousand.

Note 5: The Company indirectly invested in investments in mainland China through Dynapack Technology (Hong Kong) Corporation Limited by investing via a third region.

Acknowledgment Matters



1. Acknowledge 2020 business report and financial statements (Proposed by the board of directors)

Explanation:

- (1) The Company has completed 2020 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements. The Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by CPAs, Kuo Tzu-Jung and Wu Shih-Tsung of Deloitte & Touche. The Financial Statements along with Business Report have been reviewed by the Company's Audit Committee, and a Review Report has been issued.
- (2) Please refer to Attachment (1), (3) and (4) for the Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements, and the Independent Auditors' Report.

Resolution:



2. Acknowledge 2020 earnings distribution (Proposed by the board of directors)

Explanation:

(1) 2020 earnings distribution proposal of the company is as follows:

Dynapack International Technology Corporation
2020 earnings distribution proposal

Unit: NT\$

Item	Amount
(1) Unappropriated retained earnings at the beginning of the period	1,389,992,365
(2) Net profit for the current year	1,035,255,036
(3) Remeasurement of defined benefit plans	(2,866,268)
(4) Net profit for the current year after adjusting remeasurement of defined benefit plans	1,032,388,768
(5) Appropriation of legal reserve	(103,238,877)
(6) Reversal of special reserve appropriation	27,400,828
(7) Retained earnings available for distribution	2,346,543,084
(8) Distribution item	
Shareholders' dividend (based on 147,480,521 shares)	
- cash (NT\$6.5 per share)	(958,623,387)
(9) Unappropriated retained earnings at the end of the period	1,387,919,697

(2) Upon the approval of annual general shareholders' meeting, it is proposed that the chairman be authorized to set ex-dividend date, cash dividend distribution date and other relevant matters.

(3) The amount of cash dividend shall be rounded down to the nearest dollar and the sum of all fractional dividend less than NT\$1 shall be recognized as other income of the company.

(4) The cash dividend is calculated based on the company's outstanding shares of 147,480,521 on the February 28, 2021. It is proposed to the annual general shareholders' meeting that the chairman be authorized to handle any matters in case the dividend payout rate adjustment based on change in the numbers of outstanding shares.

(5) The proposal has been resolved by the Audit Committee on March 9, 2021.

Resolution:

Discussion Matters

1. The amendment to the” Articles of Incorporation”. (Proposed by the board of directors)

Explanation:

(1) In compliance with the amendment to laws, regulations and operational needs, the Company proposed to amend the “Articles of Incorporation ” and the comparison table is as follows:

Amended	Original	Explanation
<p>Article 1 The Company is organized in accordance with the Company Act and is named “順達科技股份有限公司”. <u>The Company’s name in English is “DynaPack International Technology Corporation”.</u></p>	<p>Article 1 The Company is organized in accordance with the Company Act and is named “順達科技股份有限公司”.</p>	In compliance with operational needs
<p>Article 6 The total capital of the Company shall be NT\$2,500,000,000, divided into 250,000,000 registered ordinary shares, with each share having a par value of NT\$10. The board of directors is authorized to issue shares in installments. The <u>NT\$100,000,000</u> among the above total capital, divided into <u>10,000,000</u> shares, with each having a par value of NT\$10, is reserved for issuing employee stock options.</p>	<p>Article 6 The total capital of the Company shall be NT\$2,500,000,000, divided into 250,000,000 registered ordinary shares, with each share having a par value of NT\$10. The board of directors is authorized to issue shares in installments. The <u>NT\$51,500,000</u> among the above total capital, divided into <u>5,150,000</u> shares, with each having a par value of NT\$10, is reserved for issuing employee stock options.</p>	In compliance with operational needs
<p>Article 7 The Company’s share certificates shall be signed or sealed by the director representing the Company, numbered, stipulated with the items referred to in Article 162 of the Company Act, and be certified by a bank which is competent to certify shares under the laws before issuance. Shares issued by the Company may be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by the centralized securities depository enterprise.</p>	<p>Article 7 The Company’s share certificates shall be signed or sealed by the director representing the Company, numbered, stipulated with the items referred to in Article 162 of the Company Act, and be certified by a bank which is competent to certify shares under the laws before issuance. <u>When issuing new shares, the Company may print a share certificate in respect of the full number of shares at that time, and shall arrange for the certificate to be kept by the centralized securities depository enterprise.</u> Shares issued by the Company may be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by the centralized securities depository enterprise.</p>	In compliance with the amendment to laws and regulations
<p>Article 21 <u>The Company’s business policy and other material matters shall be executed after the resolution has been resolved at the board of directors meetings. Directors shall exercise duties in accordance with the resolutions approved by the board of directors meetings and shareholders’ meeting.</u></p>	<p>Article 21 <u>Functions of the board of directors:</u> <u>(1) Establishment, adjustment, and dissolution of important organizations of the Company; approval and revision of important rules and regulations;</u> <u>(2) Approval of business plan;</u> <u>(3) Approval of budget and results;</u> <u>(4) Appointment and dismissal of president and</u></p>	In compliance with operational needs

Amended	Original	Explanation
	<u>vice-president;</u> <u>(5) Proposal of the surplus earning distribution or loss off-setting;</u> <u>(6) Proposal of capital increase or decrease;</u> <u>(7) Approval of loans and credit greater than NT\$50 million except for funds required for ordinary course of business;</u> <u>(8) Approval of purchasing fixed assets, on individual transaction basis, greater than NT\$300 million; and</u> <u>(9) Other matters required by laws and regulations and authorized by the resolutions of shareholders' meeting.</u>	
<p>Article 27</p> <p>If the Company records a profit for the current year, it shall appropriate no less than 3% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation in accordance with the ratio set out in preceding paragraph.</p> <p>The aforesaid employee compensation may be distributed by way of shares or cash while the director compensation may only be paid in cash.</p> <p>The Company's employee treasury stock, employee stock warrants, employees' rights to subscribe for any newly-issued shares, new restricted employee shares, and employee compensation may be released to the parents' or subsidiaries' employees meeting specific requirements.</p>	<p>Article 27</p> <p>If the Company records a profit for the current year, it shall appropriate no less than 3% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation in accordance with the ratio set out in preceding paragraph.</p> <p>The aforesaid employee compensation may be distributed by way of shares or cash while the director compensation may only be paid in cash.</p> <p><u>Distribution of director compensation set out in paragraphs I and II under this Article shall apply mutatis mutandis to supervisors before establishment of the Audit Committee.</u></p> <p>The Company's employee treasury stock, employee stock warrants, employees' rights to subscribe for any newly-issued shares, new restricted employee shares, and employee compensation may be released to the parents' or subsidiaries' employees meeting specific requirements.</p>	<p>In compliance with operational needs and the establishment of the Audit Committee, delete the provision of supervisors</p>
<p>Article 28</p> <p>If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.</p> <p><u>Where the Company distributes preceding</u></p>	<p>Article 28</p> <p>If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.</p> <p>Allocating surplus profits may be made by way</p>	<p>In compliance with the amendment to laws and regulations</p>



Amended	Original	Explanation
<p><u>surplus earning in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.</u></p> <p><u>Where the Company incurs no loss, it may distribute its legal reserve and capital reserve set forth in Article 241 of Company Act, in whole or in part, by issuing new shares or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-up capital may be distributed.</u></p> <p><u>Where the Company distributes the preceding legal reserve and capital reserve set forth in Article 241 of Company Act in the form of cash, such distribution is authorized to be made after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.</u></p> <p>Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.</p>	<p>of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.</p>	
<p>Article 30 This Articles of Incorporation was established on June 24, 1998. The first amendment was made on September 24, 1998. The second amendment was made on September 27, 1999. The third amendment was made on September 14, 2000. The fourth amendment was made on July 3, 2001. The fifth amendment was made on June 13, 2002. The sixth amendment was made on June 24, 2003. The seventh amendment was made on October 1, 2003. The eighth amendment was made on April 26, 2004. The ninth amendment was made on May 10, 2005. The tenth amendment was made on May 8, 2006. The eleventh amendment was made on June 15, 2007.</p>	<p>Article 30 This Articles of Incorporation was established on June 24, 1998. The first amendment was made on September 24, 1998. The second amendment was made on September 27, 1999. The third amendment was made on September 14, 2000. The fourth amendment was made on July 3, 2001. The fifth amendment was made on June 13, 2002. The sixth amendment was made on June 24, 2003. The seventh amendment was made on October 1, 2003. The eighth amendment was made on April 26, 2004. The ninth amendment was made on May 10, 2005. The tenth amendment was made on May 8, 2006. The eleventh amendment was made on June 15, 2007.</p>	<p>The revision dates were added.</p>



Amended	Original	Explanation
The twelfth amendment was made on June 13, 2008. The thirteenth amendment was made on June 18, 2010. The fourteenth amendment was made on September 28, 2010. The fifteenth amendment was made on June 19, 2012. The sixteenth amendment was made on June 11, 2015. The seventeenth amendment was made on June 13, 2016. The eighteenth amendment was made on June 8, 2017. The nineteenth amendment was made on June 12, 2019. The twentieth amendment was made on June 9, 2020. <u>The twenty-first amendment was made on June 7, 2021.</u>	The twelfth amendment was made on June 13, 2008. The thirteenth amendment was made on June 18, 2010. The fourteenth amendment was made on September 28, 2010. The fifteenth amendment was made on June 19, 2012. The sixteenth amendment was made on June 11, 2015. The seventeenth amendment was made on June 13, 2016. The eighteenth amendment was made on June 8, 2017. The nineteenth amendment was made on June 12, 2019. The twentieth amendment was made on June 9, 2020.	

Resolution:

Other Proposals or Extemporaneous Motions

Attachment



Attachment (1) Business Report

Dynapack International Technology Corporation

2020 Business Report

The Company's results of operation for 2020 and business plan for 2021 are as follows.

I. Operating results for 2020

(I) Implementation results of the business plan

- 1.The coronavirus (COVID-19) pandemic severely impacted the global economy in 2020 as countries around the world closed their borders, locked down cities, restricted social gatherings, etc. to hopefully contain the spread of the virus. As a result, our way of living changed, remote working and remote learning became critical, and stay-at-home economy grew significantly. These changes, in turn, have boosted demands for PC related products and e-bikes. Our shipment of battery packs, sales revenue, and net profit have all increased as compared to 2019.
- 2.Business momentum for battery packs continued in laptops, tablets, e-bikes and high power servers. We also began trial production of battery packs for home energy storage devices.
- 3.Manufacturing efficiency increased mainly due to the newly added SMT lines and continued progress on process automation, visual inspection and automated material distribution.
- 4.The new plant in Guishan, Taiwan became operational during the year and started to ship battery packs for e-bikes.
- 5.The main structure for the extension of staff dormitory in Wujiang, China was completed. The Company signed a pre-arranged trading contract with Millerful No.1 REIT in December 2020 to sell its headquarters building (containing offices and production sites) in Guishan, Taiwan. According to the agreement, the Company will lease back part of the building space.

(II) Status of budget implementation

The Company did not publicize its financial forecast for 2020.

(III) Financial analysis

Consolidated revenue for 2020 was \$19.35 billion (New Taiwan dollars), representing 8.8% increase from 2019. Net profit was \$1.03 billion and earnings per share was \$7.02, both were 25% higher than those of 2019.

(IV) Research and Development

- 1.Continued to invest in automation process optimization to reduce labor costs.
- 2.Further enhanced our value to customers by focusing on cell safety improvement to reduce



- risks associated with self-discharge and swelling.
3. Continued to invest in server battery backup unit solutions and conducted sourcing planning and validation of battery cells to ensure quality and future supply.
 4. Developed solutions to prevent thermal runaway propagation for Non-IT batteries and obtained UL 1973 certification.
 5. Obtained safety certification for home energy storage products which are ready for volume production. Mobility products will also commence volume production pending UL2271 certification.
 6. Continued to expand R&D and engineering capabilities to further enhance our competitive advantage in integrating mobility and energy storage with electronic engineering and controls. Proactively expand our reach in mobility and energy storage niche market.
 7. Collaborated with overseas customers in developing battery packs for electric bicycles and automated driving vehicles, as well as remote after-sale service systems.

II. 2021 Business Plan

(I) Business plan and important production and sales policies

1. Continue to identify, manage and mitigate potential risks associated with supply chain disruptions and other developments in the technology sector through post COVID-19 era.
2. Continue to grow our business and expand market share, scale up home energy storage business, and develop Non-IT products and services.
3. Integrate production capacities at our China and Taiwan plants, optimize cost structure and inventory management, and continue to strengthen quality and risk management.
4. Increase production capacity and manufacturing competitiveness at our Taiwan plant, which will further improve our business capacity and flexibility for mobility and energy storage products.
5. Complete the sale-and-lease-back transaction of the headquarters building in the Taoyuan A7 Technology Park in Guishan, Taiwan and plan for the development of our vacant land in the Park. We expect to start construction of a new building in the second half of 2021.

(II) Sales volume forecast and the basis thereof

The global notebook market, benefited from remote working and distant learning, is expected to grow by 10 percent in 2021, while the tablet market is expected to grow only modestly. We expect our sales volume for both products to grow in 2021 as momentum continues. However, uncertainties in tariff barriers, US-China trade tensions, and shortages in components and labor may impact our business. We seek to manage and mitigate such risks by further diversification into Non-IT product lines.

III. The Company's future development strategy and the effect of external competition, the legal environment and overall business environment

- (I) Future development strategy
 - 1. Expand mobility and energy storage business.
 - 2. Strengthen our competitiveness through continuous improvement in automation, smart manufacturing, and digitization of management process.
 - 3. Continue to attract, retain and develop R&D personnel to strengthen product research and development capabilities and enable our global customer support capabilities.
 - 4. Identify and pursue opportunities for strategic investment and partnership to expand and accelerate Non-IT business.
- (II) The effect of external competition, the legal environment and overall business environment
 - 1. Unfavorable factors
 - (1) Growth momentum for IT products is mainly from low price notebook and Chromebook. Pressure on pricing may negatively affect our revenue and profit.
 - (2) Demand for semiconductors surged significantly due to growth in 5G and electric vehicles. The US ban on exporting key semiconductor technologies, materials, and equipment to China also resulted in disruptions in the supply chain. The combination of supply shortages and surging demand has put pressures on semiconductor prices and procurement lead time.
 - (3) Our sales are mainly denominated in US Dollar. If New Taiwan Dollar and Chinese Yuan continue to appreciate against US Dollar, our profit would be negatively impacted.
 - 2. Favorable factors
 - (1) Demand for notebook PC and tablet is expected to grow in 2021 as the need for working from home and distant learning continues.
 - (2) Increasing demand for electric bikes, which serve both commute and leisure purposes, will drive higher demand for Lithium-ion batteries.
 - (3) The government's policy on renewable energy helps expand business opportunities for battery energy storage applications.

Chairman: Chung Tsung-Ming

President: Sheu Ju-Jing

Vice President of Finance: Lin Yu-Huei

March 9, 2021



Attachment (2) Rules of Procedure for Board of Directors Meetings (After Amendment)

Dynapack International Technology Corporation

Rules of Procedure for Board of Directors Meetings

Article 1: (Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for the company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2: (Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of the company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3: (Convening and notice of board meetings)

The board of directors shall meet at least quarterly.

A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected in writing, fax, or E-mail with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4: (Meeting notification and meeting materials)

The designated unit responsible for the board meetings of the company shall be secretary's office.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5: (Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the company's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6: (Principles for determining the place and time of a board meeting)

A board meeting shall be held at the premises and during the business hours of the company, or at a place and time convenient for all directors to attend and suitable for holding board

meetings.

Article 7: (Chair and acting chair of a board meeting)

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

In accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, if the board meeting is convened by more than half of the directors, the directors shall elect one among themselves as the chair.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 8: (Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the designated unit responsible for the board meetings shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by the company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9: (Documentation of a board meeting by audio or video)

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the company.

Article 10: (Agenda items)

Agenda items for regular board meetings of the company shall include at least the following:

1. Matters to be reported:

- (1) Minutes of the last meeting and action taken.
 - (2) Important financial and business matters.
 - (3) Internal audit activities.
 - (4) Other important matters to be reported.
2. Matters for discussion:
- (1) Items for continued discussion from the last meeting.
 - (2) Items for discussion at this meeting.
3. Extraordinary motions.

Article 11: (Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 5 shall apply mutatis mutandis.

Article 12: (Matters requiring discussion at a board meeting)

The matters listed below as they relate to the company shall be raised for discussion at a board meeting:

1. The Company's business plan.
2. Annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director of the company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 13: (Voting-I)

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

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

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at the company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14: (Voting-II and methods for vote monitoring and counting)

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

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

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15: (Recusal system for directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

If a director's spouse, second-tier relative and other blood relatives, or a company with a controlling or affiliation relationship with the director has an interest in an item at the preceding meeting, it shall be regarded that the director has a personal interest in the item.

Where a director is prohibited by the preceding two paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of

the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 16: (Meeting minutes and sign-in matters)

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission at the specified declaration time in accordance with the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities."

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the company.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17: (Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the company's articles of incorporation, the levels of such delegation and the content or matters as below:

1. Perform the relevant authorization for the endorsement and guarantee matters in accordance

with the " Procedures for Endorsements and Guarantees" .

2. Execute matters according to the authorized limit of various assets as in the "Procedures for Acquisition or Disposing of Assets" .
3. Execute matters according to the authorized limit as in the "Procedures for Derivatives Trading" .
4. Execute matters according to the authorized limit as in the "Level of Authority Table."
5. Other related matters.

Article 18: (Supplementary provisions)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

Article 19: These rules of procedure were established on December 29, 2006.

The first amendment was made on March 6, 2008.

The second amendment was made on June 18, 2010.

The third amendment was made on December 21, 2012.

The fourth amendment was made on December 31, 2014.

The fifth amendment was made on March 6, 2015.

The sixth amendment was made on October 30, 2017.

The seventh amendment was made on March 4, 2020.

The eighth amendment was made on October 27, 2020.



Attachment(3) Codes of Ethical Conduct (After Amendment)

Dynapack International Technology Corporation Codes of Ethical Conduct

- Article 1 Purpose of and basis for adoption
The Codes are established for the purpose of encouraging directors, managerial officers and employees of the Company to act in line with ethical standards and to help interested parties better understand the ethical standards of the Company.
- Article 2 Applicable subjects
The Codes are applicable to directors, supervisors, managerial officers and employees of the Company and domestic and overseas subsidiaries where the Company holds 50% or more voting rights directly or indirectly. The abovementioned applicable subjects are referred to as “the Personnel” hereunder.
- Article 3 Principle of honesty and integrity
The Personnel shall comply with the Codes and relevant regulations, and act in a proactive and responsible manner when they conduct business and duties. They shall work as a team without parochialism in accordance with the principles of honesty and integrity in pursuit of high standards of ethical conducts.
- Article 4 Prevention of conflicts of interest
The Personnel shall perform their duties in an objective and efficient manner and shall not take advantages of their positions in the Company to obtain improper benefits either for themselves or their spouses, or relatives within the second degree of kinship.
In the case of loans of fund, provisions of guarantees, and major asset transaction or the purchase (or sale) of goods involving the Company and any affiliated enterprise at which the Personnel work, the Personnel shall voluntarily explain whether there is any potential conflicts of interest between them and the Company, and such transactions shall be approved by President and Chairman. Where the transaction is significant, it shall be reported to the Audit Committee.
- Article 5 No pursuing of personal gains
When the Company has an opportunity for profit, it is the responsibility of the Personnel to maximize the reasonable and proper benefits that can be obtained by the Company.
The Personnel shall not engage in any of the following
1. Seeking an opportunity to pursue or obtain personal gain by using company property or information or taking advantage of their positions.
 2. Competing with the Company.
- Article 6 Confidentiality
1. The Personnel shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.
 2. User data of the related/affiliated enterprise or any confidential information, technical information, personal information, business intelligence or information unknown to the public (whether oral, in writing, or labeled as “confidential”) of the related enterprise or other third parties that become known or obtained by the Personnel shall be kept strictly confidential. The Personnel shall not make inquiry or use of such information unless it is necessary to perform their duties. Without prior consents of the Company, no replication or backup shall be made for the confidential information nor leaked, disclosed, delivered or

transferred to other parties in any way or released or publicized in any format.

Article 7 Fair trade

1. The Personnel shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.
2. The Personnel shall comply with ethical standards and fair trade principles required by the Company during the daily course and performing duties. When accepting gifts or entertainment from customers, suppliers and other stakeholders, the Personnel shall observe the following:
 - (1) It is forbidden to request or agree to accept bribes, commissions, gifts or other undue interests by using the business relationship.
 - (2) When accepting gifts or entertainment, if found obviously violating social etiquette or custom, such gifts or entertainment shall be rejected on site. No cash or negotiable securities shall be accepted as gifts.
 - (3) If accepting gifts or entertainment due to reasons beyond control or discovered afterwards to be violating social etiquette or custom, the Personnel shall report to their manager and also notify the internal audit manager for follow up.

Article 8 Proper safeguarding and use of company assets

All the Personnel have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes in order to prevent theft, negligence in care, or waste.

Article 9 Legal compliance

The Personnel shall comply with all laws, regulations and the Company's policies on the activities of the Company, and they shall also comply with the related insider-trading prevention regulations in the Securities and Exchange Act. They shall not engage in the trading of related securities while in possession of information not available to the public.

Article 10 Encouraging reporting on illegal or unethical activities

When employees suspicion or discover any activity violating laws and regulations or the Codes of Ethical Conduct, they shall actively report such violation to the manager, the internal audit manager or other proper supervisor. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and allow anonymous submission. The Company shall process the reported case in a confidential manner and use best efforts to ensure the safety of the informants.

Article 11 Disciplinary and remedial measures

When a director or managerial officer violates the Codes of Ethical Conduct, the Company shall handle the matter in accordance with related regulations. The Company has established a complaint system to provide the violator with remedies in accordance with related regulations.

Article 12 Procedures for exemption

Exemptions for directors, or managerial officers from compliance with the Codes must be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors and the period of, reasons for and, principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution and to safeguard the interests of the Company.

Article 13 Method of disclosure

The Company shall disclose the Codes of Ethical Conduct it has adopted and any amendments to it on its company website, in its annual reports and prospectuses and on the MOPS.



Article 14 Enforcement

The Company's Codes of Ethical Conduct and any amendments to it, shall enter into force after it has been adopted by the board of directors and submitted to a shareholders meeting.

Article 15 The Codes were established on March 17, 2011.
First amendment was made on March 4, 2020.
Second amendment was made on March 9, 2021.



Attachment(4) 2020 Independent Auditors' Report and Parent Company Only Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
DynaPack International Technology Corporation

Opinion

We have audited the accompanying parent company only financial statements of Dynapack International Technology Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the parent company only financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the parent company only financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of 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 judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. 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, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2020 are as follows:

Recognition of Specific Revenue of Transaction through Outbound Freight Warehouses

The Company's products include battery packs for notebooks and tablet PCs. The Parent company only operating revenues in 2020 was \$17,957,195 thousand. The revenue of transaction through outbound freight warehouses approximately accounted for 73% of the parent company only operating revenue. Since the



revenue of transaction through outbound freight warehouses has a material impact on the parent company only financial statements, and the process of revenue recognition usually involves a lot of procedures and operations, which can easily cause the risk of improper of revenue recognition or inconsistencies between the actual and recorded inventory held, it is identified as the key audit matter.

The main audit procedures that we performed for the recognition of specific revenue of outbound freight warehouses were as follows:

1. We obtained an understanding of the internal control related to the recognition of sales revenue and tested the operating effectiveness of the control, checked the delivery reports of the outbound freight warehouses and the relevant vouchers for revenue recognition, and we verified that sales transactions were recorded in the proper period.
2. We sent confirmations and confirmed that the actual quantities of inventory held in the freight warehouses matched the recorded quantities of inventory.
3. We performed tests of details by checking the selected samples of recorded revenue against the related customer orders, shipping documents, and collection of payments.
4. We performed cut-off procedures, before and after the end of the financial reporting date, and verified that sales transactions were recorded in the correct period.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as



fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2021



Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,402,740	6	\$ 1,311,987	6
Financial assets carried at amortized cost - current (Notes 4 and 8)	574,500	3	1,264,608	6
Trade receivables from unrelated parties (Notes 4, 5 and 9)	4,298,567	20	3,585,258	16
Trade receivables from related parties (Notes 4, 9, and 29)	-	-	1,701,800	8
Other receivables (Note 4)	6,689	-	12,340	-
Other receivables from related parties (Notes 4 and 29)	11,039	-	10,443	-
Inventories (Notes 4, 5 and 10)	2,086,639	9	1,346,963	6
Other current assets (Notes 15 and 29)	37,179	-	32,198	-
Total current assets	<u>8,417,353</u>	<u>38</u>	<u>9,265,597</u>	<u>42</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	8,761,154	40	8,349,184	37
Property, plant, and equipment (Notes 4, 12, 14, and 29)	469,914	2	385,271	2
Right-of-use assets (Notes 4 and 13)	1,884	-	3,769	-
Investment properties (Notes 4, 12, and 14)	3,935,462	18	3,974,610	18
Deferred tax assets (Notes 4 and 24)	194,858	1	220,789	1
Refundable deposits	2,289	-	2,292	-
Other non-current assets (Notes 15 and 29)	146,917	1	125,399	-
Total non-current assets	<u>13,512,478</u>	<u>62</u>	<u>13,061,314</u>	<u>58</u>
TOTAL	<u>\$ 21,929,831</u>	<u>100</u>	<u>\$ 22,326,911</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 200,000	1	\$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	9,218	-	760	-
Trade payables from unrelated parties (Note 17)	1,984,321	9	1,237,229	6
Trade payables from related parties (Notes 17 and 29)	6,485,983	30	8,649,549	39
Other payables (Notes 19 and 29)	337,686	2	455,825	2
Current tax liabilities (Notes 4 and 24)	188,011	1	69,635	-
Provisions - current (Notes 4 and 18)	72,955	-	117,615	-
Lease liabilities - current (Notes 4 and 13)	1,906	-	1,884	-
Current portion of long-term borrowings (Note 16)	22,914	-	400,000	2
Other current liabilities (Notes 19 and 29)	761,230	3	300,965	1
Total current liabilities	<u>10,064,224</u>	<u>46</u>	<u>11,233,462</u>	<u>50</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	3,099,226	14	2,876,000	13
Deferred tax liabilities (Notes 4 and 24)	1,022,387	5	961,591	5
Lease liabilities - non-current (Notes 4 and 13)	-	-	1,906	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	3,965	-	1,801	-
Guarantee deposits received (Note 14)	412,991	2	265,334	1
Other non-current liabilities (Note 19)	4,291	-	3,724	-
Total non-current liabilities	<u>4,542,860</u>	<u>21</u>	<u>4,110,356</u>	<u>19</u>
Total liabilities	<u>14,607,084</u>	<u>67</u>	<u>15,343,818</u>	<u>69</u>
EQUITY (Notes 4, 21, 24, and 26)				
Share capital	1,474,805	7	1,474,805	6
Capital surplus				
Additional paid-in capital in excess of par- ordinary shares	1,987,840	9	1,987,840	9
Employee share options	19,617	-	2,350	-
Total capital surplus	<u>2,007,457</u>	<u>9</u>	<u>1,990,190</u>	<u>9</u>
Retained earnings				
Legal reserve	1,390,703	6	1,308,131	6
Special reserve	481,562	2	232,533	1
Unappropriated earnings	2,422,381	11	2,458,996	11
Total retained earnings	<u>4,294,646</u>	<u>19</u>	<u>3,999,660</u>	<u>18</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(454,161)	(2)	(481,562)	(2)
Total equity	<u>7,322,747</u>	<u>33</u>	<u>6,983,093</u>	<u>31</u>
TOTAL	<u>\$ 21,929,831</u>	<u>100</u>	<u>\$ 22,326,911</u>	<u>100</u>

The accompanying notes are an integral part of the standalone financial statements.



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22, and 29)				
Net sales revenue	\$ 17,957,195	100.0	\$ 16,386,678	100.0
OPERATING COSTS (Notes 4, 5, 10, 12, 15, 23, and 29)				
Cost of goods sold	<u>16,807,885</u>	<u>93.6</u>	<u>15,497,915</u>	<u>94.6</u>
GROSS PROFIT	<u>1,149,310</u>	<u>6.4</u>	<u>888,763</u>	<u>5.4</u>
OPERATING EXPENSES (Notes 4, 12, 13, 15, 20, 23, 26, and 29)				
Selling and marketing expenses	33,510	0.2	29,169	0.1
General and administrative expenses	153,399	0.9	165,197	1.0
Research and development expenses	<u>255,178</u>	<u>1.4</u>	<u>258,869</u>	<u>1.6</u>
Total operating expenses	<u>442,087</u>	<u>2.5</u>	<u>453,235</u>	<u>2.7</u>
PROFIT FROM OPERATIONS	<u>707,223</u>	<u>3.9</u>	<u>435,528</u>	<u>2.7</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	20,991	0.1	41,664	0.2
Other income (Notes 4, 23, and 29)	89,367	0.5	42,728	0.3
Net Gain on disposal of property, plant, and equipment (Note 4)	5	-	228	-
Net foreign exchange gain (Notes 4, 23 and 30)	136,454	0.8	106,788	0.6
Net gain on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	-	-	15,504	0.1
Miscellaneous disbursements (Note 23)	(26,143)	(0.1)	(612)	-
Loss on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	(1,197)	-	-	-
Finance costs (Note 23)	(26,338)	(0.2)	(70,645)	(0.4)
Share of gain of subsidiaries and associated accounted using the equity method (Notes 4 and 11)	<u>372,919</u>	<u>2.1</u>	<u>444,578</u>	<u>2.7</u>
Total non-operating income	<u>566,058</u>	<u>3.2</u>	<u>580,233</u>	<u>3.5</u>
ROFIT BEFORE INCOME TAX	1,273,281	7.1	1,015,761	6.2

(Continued)



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(238,026)</u>	<u>(1.3)</u>	<u>(188,307)</u>	<u>(1.2)</u>
NET PROFIT FOR THE YEAR	<u>1,035,255</u>	<u>5.8</u>	<u>827,454</u>	<u>5.0</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 11, 20, 21, and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	<u>(2,866)</u>	<u>-</u>	<u>(1,734)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	34,251	0.2	(311,286)	(1.9)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(6,850)</u>	<u>(0.1)</u>	<u>62,257</u>	<u>0.4</u>
	<u>27,401</u>	<u>0.1</u>	<u>(249,029)</u>	<u>(1.5)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>24,535</u>	<u>0.1</u>	<u>(250,763)</u>	<u>(1.5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,059,790</u>	<u>5.9</u>	<u>\$ 576,691</u>	<u>3.5</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 7.02</u>		<u>\$ 5.61</u>	
Diluted	<u>\$ 6.94</u>		<u>\$ 5.57</u>	

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



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Share capital (Note 21)		Capital surplus (Notes 21 and 26)			Retained earnings (Note 21)			Other equity (Notes 4, 21, and 24)	Total Equity	
	Shares (In Thousands)	Amount	Additional Paid- in Capital in Excess of Par - Ordinary Shares	Employee Share Options	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Exchange differences on translation of the financial statements of foreign operations
BALANCE AT JANUARY 1, 2019	147,481	\$ 1,474,805	\$ 1,987,840	\$ -	\$ 1,987,840	\$ 1,243,974	\$ 186,489	\$ 2,259,658	\$ 3,690,121	(\$ 232,533)	\$ 6,920,233
Appropriation of 2018 earnings											
Legal reserve	-	-	-	-	-	64,157	-	(64,157)	-	-	-
Special reserve	-	-	-	-	-	-	46,044	(46,044)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(516,181)	(516,181)	-	(516,181)
Other changes in capital surplus:											
Changes in equity of subsidiaries for using the equity method	-	-	-	653	653	-	-	-	-	-	653
Compensation cost of employee share options	-	-	-	1,697	1,697	-	-	-	-	-	1,697
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	827,454	827,454	-	827,454
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	(1,734)	(1,734)	(249,029)	(250,763)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	825,720	825,720	(249,029)	576,691
BALANCE AT DECEMBER 31, 2019	147,481	1,474,805	1,987,840	2,350	1,990,190	1,308,131	232,533	2,458,996	3,999,660	(481,562)	6,983,093
Appropriation of 2019 earnings											
Legal reserve	-	-	-	-	-	82,572	-	(82,572)	-	-	-
Special reserve	-	-	-	-	-	-	249,029	(249,029)	-	-	-
Cash dividends by the Company	-	-	-	-	-	-	-	(737,403)	(737,403)	-	(737,403)
Other changes in capital surplus:											
Changes in equity of subsidiaries for using the equity method	-	-	-	4,800	4,800	-	-	-	-	-	4,800
Compensation cost of employee share options	-	-	-	12,467	12,467	-	-	-	-	-	12,467
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,035,255	1,035,255	-	1,035,255
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	(2,866)	(2,866)	27,401	24,535
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	-	1,032,389	1,032,389	27,401	1,059,790
BALANCE AT DECEMBER 31, 2020	147,481	\$ 1,474,805	\$ 1,987,840	\$ 19,617	\$ 2,007,457	\$ 1,390,703	\$ 481,562	\$ 2,422,381	\$ 4,294,646	(\$ 454,161)	\$ 7,322,747

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



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,273,281	\$ 1,015,761
Adjustments for		
Depreciation expense	52,389	22,181
Amortization expense	12,664	2,945
Net loss on financial assets and liabilities at fair value through profit or loss	9,218	760
Finance costs	26,338	70,645
Interest income	(20,991)	(41,664)
Compensation cost of employee share options	12,467	1,697
Share of gain of subsidiaries and associated accounted using the equity method	(372,919)	(444,578)
Gain on disposal of property, plant, and equipment	(5)	(228)
Inventory write-downs (reversed)	(65,696)	18,359
(Reversal) recognition of provisions	(44,660)	13,232
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	-	293
Trade receivables from unrelated parties	(713,309)	727,139
Trade receivables from related parties	1,701,800	2,638,595
Other receivables	1,405	(7,497)
Other receivables from related parties	(596)	333
Inventories	(673,980)	245,412
Other current assets	(4,981)	46,822
Financial liabilities at fair value through profit or loss - current	(760)	-
Trade payables from unrelated parties	747,092	(651,908)
Trade payables from related parties	(2,163,566)	(1,884,286)
Other payables	(125,906)	62,769
Other current liabilities	460,265	55,383
Net defined benefit liabilities	(702)	(675)
Other non-current liabilities	567	587
Cash generated from operations	109,415	1,892,077
Interest received	25,237	40,002
Income tax paid	(39,773)	(122,112)
Net cash generated from operating activities	<u>94,879</u>	<u>1,809,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(3,296,996)	(1,697,961)
Proceeds from sale of financial assets at amortized cost	4,001,112	1,863,980
Payments for property, plant and equipment	(25,876)	(49,173)
Proceeds from disposal of property, plant and equipment	-	1,338
Increase in refundable deposits	-	(5)
Decrease in refundable deposits	3	2,967
Payments for investment properties	(31,148)	-
Increase in other non-current assets	(65,461)	(271,255)
Net cash inflow used in investing activities	<u>581,634</u>	<u>(150,109)</u>

(Continued)



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	200,000	1,112,400
Repayments of short-term borrowings	-	(2,193,200)
Proceeds from long-term borrowings	4,096,140	2,876,000
Repayments of long-term borrowings	(4,250,000)	(2,700,000)
Proceeds from guarantee deposits received	147,657	265,334
Repayment of the principal portion of lease liabilities	(1,884)	(1,863)
Dividends paid to owners of the Company	(737,403)	(516,181)
Interest paid	(26,262)	(76,197)
Net cash used in financing activities	(571,752)	(1,233,707)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	(14,008)	21,618
NET INCREASE IN CASH AND CASH EQUIVALENTS	90,753	447,769
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,311,987	864,218
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,402,740</u>	<u>\$ 1,311,987</u>

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



Attachment(5) 2020 Independent Auditors' Report and Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
DynaPack International Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Dynapack International Technology Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2020 are as follows:



Recognition of Specific Revenue of Transaction through Outbound Freight Warehouses

The Group's products include battery packs for notebooks and tablet PCs. The consolidated operating revenue in 2020 was NT\$19,348,268 thousand. The revenue of transaction through outbound freight warehouses approximately accounted for 67% of the consolidated operating revenue. Since the revenue of transaction through outbound freight warehouses has a material impact on the consolidated financial statements, and the process of revenue recognition usually involves a lot of procedures and operations, which can easily cause the risk of improper of revenue recognition or inconsistencies between the actual and recorded inventory held, it is identified as the key audit matter.

The main audit procedures that we performed for the recognition of specific revenue of outbound freight warehouses were as follows:

1. We obtained an understanding of the internal control related to the recognition of sales revenue and tested the operating effectiveness of the control, checked the delivery reports of the outbound freight warehouses and the relevant vouchers for revenue recognition, and we verified that sales transactions were recorded in the proper period.
2. We sent confirmations and confirmed that the actual quantities of inventory held in the freight warehouses matched the recorded quantities of inventory.
3. We performed tests of details by checking the selected samples of recorded revenue against the related customer orders, shipping documents, and collection of payments.
4. We performed cut-off procedures, before and after the end of the financial reporting date, and verified that sales transactions were recorded in the correct period.

Other Matter

We have also audited the parent company only financial statements of Dynapack International Technology Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 auditing standards generally accepted 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tzu-Jung Kuo and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,487,122	13	\$ 1,871,581	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	143,691	1	232,070	1
Financial assets at amortized cost - current (Notes 4, 8 and 31)	2,727,111	14	2,933,785	18
Notes receivable from unrelated parties (Notes 4 and 9)	-	-	2,149	-
Trade receivables from unrelated parties (Notes 4, 5 and 9)	4,465,981	24	3,980,101	24
Other receivables (Note 4)	29,371	-	26,142	-
Inventories (Notes 4, 5 and 10)	2,397,334	13	1,567,853	9
Other current assets (Note 16)	113,691	1	109,472	1
Total current assets	<u>12,364,301</u>	<u>66</u>	<u>10,723,153</u>	<u>64</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 12)	14,478	-	15,105	-
Property, plant and equipment (Notes 4, 13 and 15)	1,648,096	9	1,485,227	9
Right-of-use assets (Notes 4 and 14)	134,675	1	138,156	1
Investment properties (Notes 4, 13 and 15)	3,935,462	21	3,974,610	23
Deferred tax assets (Notes 4 and 25)	285,885	1	302,174	2
Refundable deposits	2,315	-	2,318	-
Other non-current assets (Note 16)	356,409	2	217,701	1
Total non-current assets	<u>6,377,320</u>	<u>34</u>	<u>6,135,291</u>	<u>36</u>
TOTAL	<u>\$ 18,741,621</u>	<u>100</u>	<u>\$ 16,858,444</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 1,961,773	11	\$ 1,367,088	8
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	9,218	-	760	-
Trade payables from unrelated parties (Note 18)	3,511,996	19	2,615,132	15
Other payables (Note 20)	827,185	5	863,998	5
Current tax liabilities (Notes 4 and 25)	223,463	1	96,706	1
Provisions - current (Notes 4 and 19)	72,955	-	117,615	1
Lease liabilities - current (Notes 4 and 14)	1,906	-	1,884	-
Current portion of long-term borrowings (Note 17)	22,914	-	400,000	2
Other current liabilities (Note 20)	243,965	1	301,152	2
Total current liabilities	<u>6,875,375</u>	<u>37</u>	<u>5,764,335</u>	<u>34</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 17)	3,099,226	17	2,876,000	17
Deferred tax liabilities (Notes 4 and 25)	1,023,026	5	962,251	6
Lease liabilities - non-current (Notes 4 and 14)	-	-	1,906	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	3,965	-	1,801	-
Guarantee deposits received (Note 15)	412,991	2	265,334	2
Other non-current liabilities (Note 20)	4,291	-	3,724	-
Total non-current liabilities	<u>4,543,499</u>	<u>24</u>	<u>4,111,016</u>	<u>25</u>
Total liabilities	<u>11,418,874</u>	<u>61</u>	<u>9,875,351</u>	<u>59</u>
EQUITY (Notes 4, 22, 25 and 27)				
Share capital	1,474,805	8	1,474,805	9
Capital surplus				
Additional paid-in capital in excess of par- ordinary shares	1,987,840	11	1,987,840	12
Employee share options	19,617	-	2,350	-
Total capital surplus	<u>2,007,457</u>	<u>11</u>	<u>1,990,190</u>	<u>12</u>
Retained earnings				
Legal reserve	1,390,703	7	1,308,131	8
Special reserve	481,562	3	232,533	1
Unappropriated earnings	2,422,381	13	2,458,996	14
Total retained earnings	<u>4,294,646</u>	<u>23</u>	<u>3,999,660</u>	<u>23</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(454,161)	(3)	(481,562)	(3)
Total equity	<u>7,322,747</u>	<u>39</u>	<u>6,983,093</u>	<u>41</u>
TOTAL	<u>\$ 18,741,621</u>	<u>100</u>	<u>\$ 16,858,444</u>	<u>100</u>

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



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 34)				
Net sales revenue	\$ 19,348,268	100.0	\$ 17,780,452	100.0
OPERATING COSTS (Notes 4, 5, 10, 13, 14, 16 and 24)				
Cost of goods sold	<u>17,277,919</u>	<u>89.3</u>	<u>16,185,298</u>	<u>91.0</u>
GROSS PROFIT	<u>2,070,349</u>	<u>10.7</u>	<u>1,595,154</u>	<u>9.0</u>
OPERATING EXPENSES (Notes 4, 9, 13, 14, 16, 21, 24 and 27)				
Selling and marketing expenses	135,305	0.7	84,956	0.5
General and administrative expenses	262,621	1.3	293,577	1.6
Research and development expenses	<u>328,838</u>	<u>1.7</u>	<u>331,880</u>	<u>1.9</u>
Total operating expenses	<u>726,764</u>	<u>3.7</u>	<u>710,413</u>	<u>4.0</u>
PROFIT FROM OPERATIONS	<u>1,343,585</u>	<u>7.0</u>	<u>884,741</u>	<u>5.0</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	67,007	0.3	127,706	0.7
Dividend income	948	-	3,485	-
Other income (Notes 4 and 24)	90,323	0.5	54,363	0.3
Net gain on disposal of investments	16,956	0.1	10,749	0.1
Net foreign exchange gain (Notes 4, 24 and 32)	-	-	187,456	1.0
Net gain on financial assets (liabilities) at fair value through profit or loss (Notes 4 and 7)	24,307	0.1	56,069	0.3
Miscellaneous disbursements (Note 24)	(27,891)	(0.1)	(991)	-
Net loss on disposal of property, plant and equipment (Note 4)	(28,401)	(0.2)	(57,691)	(0.3)
Net foreign exchange loss (Notes 4, 24 and 32)	(93,149)	(0.5)	-	-
Finance costs (Note 24)	(48,566)	(0.2)	(107,904)	(0.6)
Share of loss of associates accounted for using the equity method (Notes 4 and 12)	<u>(627)</u>	<u>-</u>	<u>(47)</u>	<u>-</u>
Total non-operating income	<u>907</u>	<u>-</u>	<u>273,195</u>	<u>1.5</u>
PROFIT BEFORE INCOME TAX	1,344,492	7.0	1,157,936	6.5

(Continued)



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(309,237)</u>	<u>(1.6)</u>	<u>(330,482)</u>	<u>(1.9)</u>
NET PROFIT FOR THE YEAR	<u>1,035,255</u>	<u>5.4</u>	<u>827,454</u>	<u>4.6</u>
OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	<u>(2,866)</u>	<u>-</u>	<u>(1,734)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	34,251	0.2	(311,286)	(1.8)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(6,850)</u>	<u>(0.1)</u>	<u>62,257</u>	<u>0.4</u>
	<u>27,401</u>	<u>0.1</u>	<u>(249,029)</u>	<u>(1.4)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>24,535</u>	<u>0.1</u>	<u>(250,763)</u>	<u>(1.4)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,059,790</u>	<u>5.5</u>	<u>\$ 576,691</u>	<u>3.2</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 7.02</u>		<u>\$ 5.61</u>	
Diluted	<u>\$ 6.94</u>		<u>\$ 5.57</u>	

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

(Concluded)



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 22)		Capital Surplus (Notes 22 and 27)			Retained Earnings (Note 22)				Other Equity (Notes 4, 22 and 25) Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
	Shares (In Thousands)	Amount	Additional Paid-in Capital in Excess of Par - Ordinary Shares	Employee Share Options	Total	Legal Reserve	Special Reserve	Unappropriated			
								Earnings	Total		
BALANCE AT JANUARY 1, 2019	147,481	\$ 1,474,805	\$ 1,987,840	\$ -	\$ 1,987,840	\$ 1,243,974	\$ 186,489	\$ 2,259,658	\$ 3,690,121	\$ (232,533)	\$ 6,920,233
Appropriation of 2018 earnings											
Legal reserve	-	-	-	-	-	64,157	-	(64,157)	-	-	-
Special reserve	-	-	-	-	-	-	46,044	(46,044)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(516,181)	(516,181)	-	(516,181)
Compensation cost of employee share options	-	-	-	2,350	2,350	-	-	-	-	-	2,350
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	827,454	827,454	-	827,454
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	(1,734)	(1,734)	(249,029)	(250,763)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	825,720	825,720	(249,029)	576,691
BALANCE AT DECEMBER 31, 2019	147,481	1,474,805	1,987,840	2,350	1,990,190	1,308,131	232,533	2,458,996	3,999,660	(481,562)	6,983,093
Appropriation of 2019 earnings											
Legal reserve	-	-	-	-	-	82,572	-	(82,572)	-	-	-
Special reserve	-	-	-	-	-	-	249,029	(249,029)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(737,403)	(737,403)	-	(737,403)
Compensation cost of employee share options	-	-	-	17,267	17,267	-	-	-	-	-	17,267
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,035,255	1,035,255	-	1,035,255
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	(2,866)	(2,866)	27,401	24,535
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	-	1,032,389	1,032,389	27,401	1,059,790
BALANCE AT DECEMBER 31, 2020	<u>147,481</u>	<u>\$ 1,474,805</u>	<u>\$ 1,987,840</u>	<u>\$ 19,617</u>	<u>\$ 2,007,457</u>	<u>\$ 1,390,703</u>	<u>\$ 481,562</u>	<u>\$ 2,422,381</u>	<u>\$ 4,294,646</u>	<u>\$ (454,161)</u>	<u>\$ 7,322,747</u>

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



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,344,492	\$ 1,157,936
Adjustments for:		
Depreciation expense	176,508	157,965
Amortization expense	55,269	40,348
Expected credit loss	45,340	-
Net gain on financial assets and liabilities at fair value through profit or loss	(16,285)	(39,805)
Finance costs	48,566	107,904
Interest income	(67,007)	(127,706)
Dividend income	(948)	(3,485)
Compensation cost of employee share options	17,267	2,350
Share of loss of associates accounted for using the equity method	627	47
Loss on disposal of property, plant and equipment	28,401	57,691
Inventory write-downs (reversed)	(62,878)	16,295
(Reversal) recognition of provisions	(44,660)	13,232
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss - current	107,818	75,444
Notes receivable from unrelated parties	2,149	(2,149)
Trade receivables from unrelated parties	(531,936)	677,036
Other receivables	(13,161)	238
Inventories	(768,741)	439,683
Other current assets	(15,252)	26,318
Financial liabilities at fair value through profit or loss - current	(760)	760
Trade payables from unrelated parties	896,864	(692,138)
Other payables	(67,889)	70,165
Other current liabilities	(57,187)	(31,214)
Net defined benefit liabilities	(702)	(675)
Other non-current liabilities	567	587
Cash generated from operations	1,076,462	1,946,827
Interest received	76,939	126,659
Income tax paid	(110,617)	(248,764)
Net cash generated from operating activities	<u>1,042,784</u>	<u>1,824,722</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(12,347,057)	(9,971,609)
Proceeds from sale of financial assets at amortized cost	12,490,936	10,018,714
Payments for property, plant and equipment	(198,299)	(140,938)
Proceeds from disposal of property, plant and equipment	4,521	8,398
Increase in refundable deposits	-	(5)
Decrease in refundable deposits	3	3,928
Payments for investment properties	(31,148)	-

(Continued)



DYNAPACK INTERNATIONAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in other non-current assets	(230,125)	(327,222)
Dividends received	<u>948</u>	<u>3,485</u>
Net cash used in investing activities	<u>(310,221)</u>	<u>(405,249)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	6,140,643	6,122,058
Repayments of short-term borrowings	(5,477,558)	(6,639,234)
Proceeds from long-term borrowings	4,096,140	2,876,000
Repayments of long-term borrowings	(4,250,000)	(2,700,000)
Proceeds from guarantee deposits received	147,657	265,334
Repayment of the principal portion of lease liabilities	(1,884)	(1,863)
Dividends paid to owners of the Company	(737,403)	(516,181)
Interest paid	<u>(52,831)</u>	<u>(114,535)</u>
Net cash used in financing activities	<u>(135,236)</u>	<u>(708,421)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>18,214</u>	<u>(219,279)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	615,541	491,773
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,871,581</u>	<u>1,379,808</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,487,122</u>	<u>\$ 1,871,581</u>

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

Appendixes



Appendix (1) Rules of Procedure for Shareholders' Meeting

Dynapack International Technology Corporation

Rules of Procedure for Shareholders' Meeting

- Article 1 The rules of procedures for the Company's shareholders' meeting (the "Meeting"), except as otherwise provided by law, regulation or the Articles of Incorporation, shall be as provided in these rules.
- Article 2 Unless otherwise provided by law or regulation, the Meeting shall be convened by the board of directors.
- Article 3 The venue for the Meeting shall be the premises of the Company, or a place easily accessible for shareholders and suitable for a shareholders' meeting. The Meeting shall start no earlier than 9 a.m. and no later than 3 p.m.
- Article 4 The Company may furnish the attending shareholders with an attendance book to sign or shareholders or their proxies may hand in a sign-in card in lieu of signing in.
The Company shall furnish attending shareholders with the meeting materials. Where there is an election of directors including independent directors, pre-printed ballots shall also be furnished.
Shareholders shall attend the Meeting based on attendance cards, sign-in cards, or other certificates of attendance. Such certificates shall not be transferred. Attending shareholders, solicitors, and proxies shall bring identification document for verification.
When the government or a juristic person is a shareholder, it may be represented by more than one representative at the Meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent in the Meeting.
- Article 5 If the Meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. If the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice-chairperson shall act in place of the chairperson. When there is no vice-chairperson or the vice-chairperson is also on leave or for any reason unable to exercise the powers of the vice-chairperson, the chairperson shall appoint one of the managing directors to act as chair. If there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or directors shall elect one among themselves as chair. When the Meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the Meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
The Company may appoint its attorneys, certified public accountants, or related persons to attend the Meeting in a non-voting capacity.
- Article 6 The proceedings of the Meeting shall be audio or video recorded, and the recording shall be retained for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 7 Attendance at the Meeting shall be calculated based on the number of shares. The number of attending shares shall be calculated according to the number of shares indicated by the sign-in cards submitted by attending shareholders or their proxies, plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements for a combined total of no 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 the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 paragraph 1 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.

Article 8 If a Meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda which may not be changed without a resolution of the Meeting.

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

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

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

Article 9 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

When a juristic person shareholder appoints two or more representatives to attend a Meeting, only one of the representatives appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 10 Voting at a Meeting shall be based on the number of shares.

With respect to resolutions of the Meeting, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is a likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

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

shareholders. Except for trust enterprises or shareholders services agencies approved by the competent securities authority, when a person is concurrently appointed as the proxy by two or more shareholders, the voting rights represented by that proxy shall not exceed 3% of the voting rights represented by the total number of issued shares. otherwise, the voting rights in excess of that percentage shall not be included in the calculation.

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

When the Company holds a Meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. Except as otherwise provided in the Company Act or the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by attending shareholders. At the time of vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

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

Vote monitoring and counting personnel for the vote on proposals shall be appointed by the chair, and the monitoring personnel shall be shareholders of the company.

Vote counting shall be conducted in public at the place of the Meeting. The results of the voting shall be announced on-site at the Meeting, and a record made of the results.

Article 12 The election of directors (including independent directors) at a Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately.

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

Article 13 The number of shares obtained by solicitors through solicitation and the number of shares represented by proxies shall be compiled a statistical statement in the prescribed format which shall make an express disclosure of the same at the place of the meeting on the day of the Meeting.

Article 14 Staff handling administrative affairs of a Meeting shall wear identification cards or armbands.

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

At the venue of a Meeting, if a shareholder attempts to speak through any device other than the equipment set up by the Company, the chair may prevent the shareholder from doing so.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructs the proceedings and refuses to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder out of the Meeting.

Article 15 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items



(including extraordinary motions) on the meeting agenda have been addressed, the Meeting may adopt a resolution to resume the meeting at another venue.

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

- Article 16 Matters not provided for in these rules shall be handled in accordance with the Company Act and the Company's articles of incorporation.
- Article 17 These rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- Article 18 The rules were established on May 8, 2006.
The first amendment was made on June 18, 2010.
The second amendment was made on June 12, 2014.
The third amendment was made on June 8, 2017.
The fourth amendment was made on June 9, 2020.



Appendix (2) Articles of Incorporation (Before Amendment)

Dynapack International Technology Corporation

Articles of Incorporation

Chapter I General Provisions

- Article 1 The Company is organized in accordance with the Company Act and is named “順達科技股份有限公司”.
- Article 2 The Company engages in the following business:
- (1) CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
 - (2) CC01090 Manufacture of Batteries and Accumulators.
 - (3) CC01080 Electronics Components Manufacturing.
 - (4) F401010 International Trade.
 - (5) H701010 Housing and Building Development and Rental.
 - (6) H701020 Industrial Factory Development and Rental.
 - (7) H701040 Specific Area Development.
 - (8) H701060 New Towns, New Community Development.
 - (9) H703090 Real Estate Business.
 - (10) H703100 Real Estate Leasing.
 - (11) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company’s head office is registered in Taoyuan City, and may set up branch offices or places of business domestically or overseas upon a resolution made by the board of directors.
- Article 4 The Company may provide endorsements and guarantees in accordance with the Operational Procedures for Endorsements/Guarantees of the Company.
The total amount of the Company’s investment may exceed 40% of its paid-up capital.
- Article 5 Public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 6 The total capital of the Company shall be NT\$2,500,000,000, divided into 250,000,000 registered ordinary shares, at a par value of NT\$10 each. The board of directors is authorized to issue shares in installments. The NT\$51,500,000 among the above total capital, divided into 5,150,000 shares, at a par value of NT\$10 each, is reserved for issuing employee stock options.
- Article 6-1 The Company may issue employee stock options with the exercise price lower than the closing price of the Company’s ordinary shares on the date of issuance upon a resolution of the shareholders’ meeting adopted by at least two-thirds vote of the shareholders present, who represent a majority of the total number of the outstanding shares of the Company.
In the event where the Company intends to transfer shares to employees at a price lower than the average of the actual repurchase price, before such transfer, the Company shall make a resolution at the most recent shareholders’ meeting adopted by at least two-thirds vote of the shareholders present, who represent a majority of the total number of outstanding shares of the Company.
- Article 7 The Company’s share certificates shall be signed or sealed by the director representing the Company, numbered, stipulated with the items referred to in Article 162 of the Company Act, and be certified by a bank which is competent to certify shares under the laws before issuance.
When issuing new shares, the Company may print a share certificate in respect of the full number of shares at that time, and shall arrange for the certificate to be kept by the centralized securities depository institution.

Shares issued by the Company may be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by the centralized securities depository institution.

Article 8 Any affair with regard to shares and shareholders' rights conducted by the Company's shareholders shall conform with the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless otherwise provided by laws and securities regulations.

Article 9 All entries in the shareholders' register shall be suspended for 60 days prior to a regular shareholders' meeting, or for 30 days prior to a special shareholders' meeting, or for 5 days prior to the record date fixed by the Company for distribution of dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

Article 10 Shareholders' meetings of the Company are of two types, regular shareholders' meeting and special shareholders' meeting.

The regular shareholders' meeting shall be convened once a year and within six months after the end of each fiscal year.

The special shareholders' meeting shall be convened when necessary in accordance with relevant laws and regulations.

Article 11 A notice to convene a regular shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date.

A notice to convene a special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

The aforesaid notice shall state the cause or subject of a shareholders' meeting to be convened.

Article 12 Each shareholder of the Company shall be entitled to one vote for each share held, except in the circumstances of non-voting rights as otherwise specified by laws and regulations.

Article 13 The resolutions at the shareholders' meeting shall, unless otherwise provided by the Company Act or the Company's articles of incorporation, be adopted by a majority vote of the shareholders present, who represent a majority of the total number of outstanding shares. A shareholder who exercises his/her/its voting rights by way of electronic transmission shall be deemed to have attended in person, and related matters shall be handled in accordance with laws and regulations.

Article 14 When a shareholder is unable to attend the shareholders' meeting, he/she/it may appoint a proxy to attend the meeting on his/her/its behalf by signing the proxy form printed by the Company and stated the scope of power to be authorized. However, when a person, other than a trust enterprise or a stock agency approved by the securities authority, acts as the proxy for two or more shareholders, the voting rights of the proxy shall not exceed 3% of the total number of voting shares of the Company; otherwise, the excess voting rights shall not be counted. Except as otherwise specified in the laws and regulations, the handling of a shareholder's proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.

Article 15 The shareholders' meeting, which is convened by the board of directors, shall be presided by the chairman of the board of directors. When the chairman is in absence, the vice-chairman shall act on behalf of the chairman. In case there is no vice-chairman or the vice-chairman is unable to execute his/her powers and authorities, the chairman shall designate a director to act on his/her behalf; if the chairman does not appoint a director as his/her proxy, the directors shall elect one from among themselves as the proxy. The shareholders' meeting, which is convened by another convener having the convening right, shall be presided by the convener. When there are two or more conveners, the chairman of the meeting shall be elected from among the conveners.

Article 16 Resolutions adopted at the shareholders' meeting shall be recorded in a meeting minutes, which shall be signed by or affixed with the seal of the chairman of the meeting. The minutes of the shareholders' meeting shall be kept together with the attendance list of shareholders and the proxy forms. The minutes of the shareholders' meeting shall be distributed to all shareholders of the Company within 20 days after the closing of the meeting, and may be distributed by public

announcement.

Chapter IV Directors and Audit Committee

- Article 17 The Company shall have seven to nine directors who shall be elected by the shareholders' meeting from among the persons with disposing capability. The term of office of the directors shall be three years, and all directors shall be eligible for re-election. In case the Company is unable to elect new-term directors in time right after the expiration of the term of office of existing directors, the term of office of the existing directors shall be extended to the time until new directors have been elected and have assumed their office.
- The total registered shares held by all directors of the Company shall conform to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" issued by the Securities and Futures Commission.
- There should be at least three independent directors among the aforesaid number of directors.
- The candidate nomination system shall be adopted for election of directors (including independent directors) of the Company. The board of directors and any shareholder holding one percent or more of total outstanding shares issued by the Company may propose a list of director candidates. After the list of director candidates is adopted by the board of directors, it shall be sent to the shareholders' meeting to elect the directors from among the nominated candidates.
- Matters related to the acceptance method and announcement of the nomination of director candidates shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.
- Article 18 The chairman of the Company shall be elected from among the directors, and the vice-chairman may be elected in the same manner. The chairman shall preside the shareholders' meeting and the meeting of board of directors, externally represent the company and exercise duties and powers stipulated in the Company Act. When the chairman is unable to exercise his/her duties and powers for any cause, the vice-chairman shall act on his/her behalf. When there is no vice-chairman or the vice-chairman is also unable to exercise his/her duties and powers for any cause, the chairman shall designate one of directors to act on his/her behalf; in the absence of such a designation, the directors shall elect one from among themselves as the proxy.
- Article 19 The board meeting of the Company shall be convened by the chairman of the board of directors. However, the first meeting of each term of board of directors shall be convened by the director who received a ballot carrying the largest amount of votes at the election of directors. When a director is unable to attend the board meeting, he/she may appoint another director in writing to attend on his/her behalf. However, each director may only represent one director who is unable to attend.
- In calling a board meeting, a notice specifying the subject(s) and agenda shall be given to each director within the time limit stipulated by the Company Act and the authority in charge of securities affairs. In the case of emergency, a board meeting may be convened at any time. The notice of the convening of a board meeting may be made in writing, fax, or e-mail.
- If the board meeting is conducted via a video conference, the directors who participate in the meeting via video shall be deemed to have attended in person.
- The board of directors is authorized to determine the remuneration of the directors exercising the Company's business, regardless of an operating profit or loss, taking into account the extent and value of the services contributed to the Company and level of other domestic and foreign comparable industries. If the Company has operating profit, compensation for directors may be set aside as prescribed in Article 27.
- Article 20 Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority vote at the meeting of board of directors attended by a majority of the total number of directors. The provisions of Article 16 shall apply mutatis mutandis to the minutes of the board meeting.
- Article 21 Functions of the board of directors:
- (1) Establishment, adjustment, and dissolution of important organizations of the Company;

approval and revision of important rules and regulations;

- (2) Approval of business plan;
- (3) Approval of budget and results;
- (4) Appointment and dismissal of president and vice-president;
- (5) Proposal of the surplus earning distribution or loss off-setting;
- (6) Proposal of capital increase or decrease;
- (7) Approval of loans and credit greater than NT\$50 million except for funds required for ordinary course of business;
- (8) Approval of purchasing fixed assets, on individual transaction basis, greater than NT\$300 million; and
- (9) Other matters required by laws and regulations and authorized by the resolutions of shareholders' meeting.

- Article 22 The board of directors may appoint a secretary, and the secretary shall handle important documents and other business of the Company in accordance with the instructions of the board of directors.
- Article 23 The Company shall set up an Audit Committee to replace the supervisors. The Audit Committee shall be composed of all independent directors, and the number of independent directors shall not be less than three.
- Article 24 Matters related to powers and authorities of the Audit Committee shall conform with relevant laws and regulations.

Chapter V Managerial Officers

- Article 25 The Company may have one or more managerial officers and other personnel. While handling the Company's affairs, they shall proceed per the resolution made by the board of directors. The appointment, dismissal, and remuneration of such personnel shall conform with the Company Act.

Chapter VI Accounting

- Article 26 The fiscal year for the Company shall begin on January 1 and end on December 31 of each year. After the close of each fiscal year, the following reports shall be prepared by the board of directors, forwarded to the Audit Committee for review 30 days before the regular shareholders' meeting, and submitted to the regular shareholders' meeting for ratification.
- (1) Business report.
 - (2) Financial statements.
 - (3) Proposal of earning distribution or loss offset.
- Article 27 If the Company records a profit for the current year, it shall appropriate no less than 3% of the profit for employee compensation and no more than 3% of the profit for director compensation. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses first and make appropriation for employee and director compensation in accordance with the ratio set out in preceding paragraph.
- The aforesaid employee compensation may be distributed by way of shares or cash while the director compensation may only be paid in cash.
- Distribution of director compensation set out in paragraphs I and II under this Article shall apply mutatis mutandis to supervisors before establishment of the Audit Committee.
- The Company's employee treasury stock, employee stock warrants, employees' rights to subscribe for any newly-issued shares, new restricted employee shares, and employee compensation may be released to the parents' or subsidiaries' employees meeting specific requirements.
- Article 28 If the Company records a surplus earning at the close of a fiscal year, it shall pay the taxes, offset losses to be covered and then set aside 10% of the balance as legal reserve in accordance with the laws and regulations provided the amount of accumulated legal reserve has yet to reach the amount of the paid-up capital of the Company, then set aside or return the special reserve required by laws or competent authority. The balance (distributable profit) together with accumulated



unappropriated earnings are available for appropriation, and the board of directors shall draft a plan for allocating surplus earnings and submit it to the shareholders for resolution.

Allocating surplus profits may be made by way of cash or stock dividend after taking into consideration financial, business, and operational factors. Allocating surplus profits shall be made preferably by way of cash and the ratio for cash dividend shall be more than 50% of total shareholders' bonuses.

Chapter VII Bylaws

Article 29 Matters not provided for in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 30 This Articles of Incorporation was established on June 24, 1998.

The first amendment was made on September 24, 1998.

The second amendment was made on September 27, 1999.

The third amendment was made on September 14, 2000.

The fourth amendment was made on July 3, 2001.

The fifth amendment was made on June 13, 2002.

The sixth amendment was made on June 24, 2003.

The seventh amendment was made on October 1, 2003.

The eighth amendment was made on April 26, 2004.

The ninth amendment was made on May 10, 2005.

The tenth amendment was made on May 8, 2006.

The eleventh amendment was made on June 15, 2007.

The twelfth amendment was made on June 13, 2008.

The thirteenth amendment was made on June 18, 2010.

The fourteenth amendment was made on September 28, 2010.

The fifteenth amendment was made on June 19, 2012.

The sixteenth amendment was made on June 11, 2015.

The seventeenth amendment was made on June 13, 2016.

The eighteenth amendment was made on June 8, 2017.

The nineteenth amendment was made on June 12, 2019.

The twentieth amendment was made on June 9, 2020.



Appendix (3) Shareholdings of Directors

Dynapack International Technology Corporation

Shareholdings of directors

1. Types and the total number of shares issued: 147,480,521 ordinary shares.
2. The statutory minimum shares held by all directors: 8,848,831 shares.
3. The shares held by directors is as follows which have reached the statutory standard.

Book closure starting date: April 9,2021

Title	Name	Elected date	Term of office (year)	Legal representative	Shares held at the time of election		Shares held on the shareholders' roster on the book closure date	
					Number of shares	Percentage of shares held (%) [note 1]	Number of shares	Percentage of shares held (%)
Chairman	Chung, Tsung-Ming	June 13, 2020	3	-	10,865,032 [Note]	7.37%	11,265,032 [Note]	7.64%
Director	Yang, Chao-Ming	June 13, 2020	3	-	305,477	0.21%	305,477	0.21%
Director	Sheu Ju-Jing	June 13, 2020	3	-	20,043	0.01%	20,043	0.01%
Director	Hua-Lung Financial Consulting Company Ltd.	June 13, 2020	3	Chung, Hsiang-Heng	6,597,431	4.47%	7,620,431	5.17%
Director	Lu Liao Keng Co., Ltd.	June 13, 2020	3	Chung, Hsiang- Yuan	2,450,000	1.66%	2,500,000	1.70%
Independent Director	Wang, Tsun-I	June 13, 2020	3	-	0	0.00%	0	0.00%
Independent Director	Tsai, Hwei-Ming	June 13, 2020	3	-	0	0.00%	30,000	0.02%
Independent Director	Shieh, Han-Ping D	June 13, 2020	3	-	0	0.00%	0	0.00%
Independent Director	Tsai, Lien-Chin	June 13, 2020	3	-	3,828	0.00%	3,828	0.00%
Total					20,241,811	13.72%	21,744,811	14.75%

[Note] This includes the number of shares held in the special trust account with the reserved right-of-use.

4. As the Company has established the Audit committee, the minimum holding requirement of supervisors no longer applies.



Appendix (4) Shareholders' Proposals

Explanation of the handling of shareholders' proposals at the annual general shareholder meeting:

Explanation:

1. According to Article 172-1 of the Company Act, shareholders holding more than one percent of the total number of issued shares may propose to the company a proposal for discussion at a regular shareholders' meeting. The number of words of a proposal shall be limited to not more than 300 words.
2. The company has set April 3,2021 to April 13,2021 as the period for accepting shareholder's written proposals and will announce them on MOPS according to law.
3. No proposal was received during the said period.