

BAOTEK INDUSTRIAL MATERIALS LTD.

2023 Annual Shareholders' Meeting
Meeting Agenda

Notice to readers

This English-version meeting agenda is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

June 16, 2023

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1. Meeting Procedure

BAOTEK INDUSTRIAL MATERIALS LTD.

Procedure of the 2023 Regular Shareholder Meetings

Call Meeting to Order

Chairman's Address

Reported Matters

Acknowledged Matters

Matters for Discussion

Extemporaneous Motions

Adjournment

2. Annual Shareholders' Meeting Agenda

BAOTEK INDUSTRIAL MATERIALS LTD.

2023 Annual Shareholders' Meeting Agenda

Time : June 16, 2023 Fri. at 9 a.m

Form : Entity Shareholders' Meeting

Address : 3F., No. 9, Damo St., Yangmei Dist., Taoyuan City 326, Taiwan, R.O.C.
(Yangmei Farmers' Association 3F)

Procedure of Meeting :

1. Attendance Report, Call Meeting to Order
2. Chairman's Address
3. Reported Matters :
 - (1) Business Report of 2022 and Business Outlook of 2023.
 - (2) Audit Committee's review of the 2022 Final Report.
 - (3) To report the performance assessments and compensation levels of directors, and managerial officers.
 - (4) Report on amendments to the "rules of procedure for board of directors meetings".
 - (5) Other reported matters.
4. Acknowledged Matters :
 - (1) Acknowledgment of the 2022 Business Report and Financial Statements.
 - (2) Acknowledgment of the 2022 Deficit Compensation.
5. Matters for Discussion :
 - (1) Discussion to approve the lifting of non-competition restrictions for directors of the Company.
6. Extemporaneous Motions
7. Adjournment

3. Reported Matters

1. Business report of 2022 and business outlook of 2023, for your honor's approval.
Explanation : Business report of 2022, for details, please refer to Annex 1 [please refer to pages 13~16 of this manual].
2. Audit committee's review of the 2022 final report, for your honor's approval.
Explanation : Inspection report of audit committee, for details, please refer to Annex 2 [please refer to page 17 of this manual].
3. To report the performance assessments and compensation levels of directors, and managerial officers, for your honor's approval.
Explanation : Performance assessment result of directors and managerial officers, and the relevance and reasonableness of remuneration, please refer to Annex 3 [please refer to page 18 of this manual].
4. Revise the company's "Rules of Procedure for Board of Directors Meetings" report, for your honor's approval.
Explanation : According to Financial Supervision Commission on August 5, 2022, "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" as amended by order No.1110383263, amend some provisions of the company's "Rules of Procedure for Board of Directors Meetings", The comparison table of the articles before and after the amendment is detailed in Annex 4 [please refer to page 19~22 of this manual].
5. Other reported matters.
Explanation : The company's 2023 regular shareholders' meeting accepts proposals from March 3, 2023 to March 13, 2023, and there is no shareholder proposal.

4. Acknowledged Matters

Case 1

Proposed by the Board of Directors

Proposal : Acknowledgment of the 2022 Business Report and Financial Statements were submitted for recognition.

Explanation : 1. The financial statements of 2022 was audited by Chiang, Tsai-Yen and Liu, Chien-Yu of Pricewaterhouse Coopers (PwC), and issue an audit report of unqualified opinion.

2. The above financial statements and the company's 2022 annual business report have been verified by the audit committee, and an audit report has been issued.

3. The business report of 2022, for details, please refer to Annex 1 [please refer to pages 13~16 of this manual]. Independent auditor's report and financial statements, for details, please refer to Annex 5 [please refer to pages 23~32 of this manual], For your adoption.

Resolution :

Case 2

Proposed by the Board of Directors

Proposal : Acknowledgment of the 2022 Deficit Compensation was submitted for recognition.

Explanation : 1. In accordance with the provisions of the Company Law and the Articles of Incorporation of the Company, there is a proposal to make up for losses.

2. The company's net profit after tax of 2022 is NT\$84,268,181. After deducting NT\$116,825,703 to make up for the losses of previous years, and plus the other comprehensive gain and losses in terms of the defined benefit plans for 2022 of NT\$2,169,099. The loss to be made up for this year is NT\$30,388,423, so there is no surplus available for distribution.

3. Table of Deficit Compensation of 2022, for details, please refer to Annex 6 [please refer to page 33 of this manual]. For your adoption.

Resolution :

5. Matters for Discussion

Case 1**Proposed by the Board of Directors**

Proposal : Discussion to approve the lifting of non-competition restrictions for directors of the Company.

Explanation : 1. According to Article 209 of the Companies Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. If a director of the Company is required to work concurrently the same or similar tasks as the Company's business at the same time, he/she may request the approval by the shareholders' meeting and be released from the prohibition of competing for the Company's business to the extent that it is not contrary to the Company's interests. List of positions of directors concurrently serving in other companies, as detailed in Annex 7 [please refer to page 34 of this manual] for discussion.

Resolution :

6. Extemporany Motions

7. Attachment

Business Report

I. Achievements of business in 2022

A. State of implementation on business plan :

The Company's net revenue for 2022 was NT\$1,334,967 thousand, a 4.9% decrease compared to 2021. The sales volume was 48,556 thousand meters in 2022, a 13.8% decrease compared to the sales volume of 56,332 thousand meters in 2021. Overall gross profit performance in 2022 was comparable to that in 2021. Net income before tax for 2022 was NT\$104,961 thousand, an increase of 59.1% compared to 2021, mainly due to the impact of the depreciation of the New Taiwan dollar in 2022.

A series of international events occurred in 2022, including the uninterrupted war between Russia and Ukraine, the continuation of the coronavirus in China, stricter control of lockdown in various countries, the continued appreciation of the New Taiwan dollar, the soaring prices caused by inflation, and the high inventory in the supply chain and other factors have led to rising costs and unsatisfactory demand for end products. However, the Company is actively transforming its products and optimizing its product portfolio, and its team is working towards stabilizing sales volume, reducing costs and increasing value-added products to reduce the impact of uncontrollable factors such as exchange rates and the market.

B. Implementation of budget :

The Company did not make financial estimates pursuant to rules, thus, not applicable.

C. Financial receipts, disbursements and analysis of profitability :

Unit : NT\$1,000

Item / Year		2021	2022
Financial income and expenditure	Operating revenue	1,403,923	1,334,967
	Net operating margin	181,308	178,000
	Profit before income tax	65,971	104,961
Profitability	Return on asset (%)	2.52	3.90
	Return on equity (%)	2.94	4.49
	Ratio of income before tax to paid-in capital (%)	3.38	5.39
	Profit margin (%)	3.77	6.31
	Earnings per share (NT\$)	0.27	0.43

D. State of Research & Development (R&D) :

The roadmap in 2022 continued that of 2021, basically subject to 5G application, Advanced Driver Assistance System (ADAS) and communication satellite signal transmission application. The Company focuses on the development and introduction of Low Dk (NE glass) series products and the mass production of interfacially compatible, high reliability processing fluid formulations for high frequency/high speed materials.

The axial change of industrial products is relatively stable, and PTFE coating is the main application along with aerospace, high-temperature filter bags and heat insulation materials.

In 2023, the Company put forward technology transfer and introduced Low CTE (T glass) fiberglass cloth products for IC substrates, mainly products with a thickness of 100um. At the same time, we continue to advance the introduction and mass production of Low Dk (NE glass) series products and enhance our manufacturing capabilities. We will not only respond to the market demand for high-end materials, but also strive to meet the needs of our customers for Low Dk and Low CTE materials when developing high-end products.

Completion in 2022 :

NE glass 2013, 1080, 1067 processing cloth trial production by transferred technology of NTB.

Trial production test of NTB T glass 2118 and NE glass 3313 by transferred technology of NTB.

II. Overview of 2023 Business Plan

The Company estimates sales of a total of 47,000 thousand meters in 2023 and operating strategy and management guidelines are stated as follows :

- Getting started by maintaining strategic cooperation with customers and producing high-end products for co-operation of high-end markets and R&D of products.
- Highlights on high-frequency and high-speed applied cloud products among electric industry.
- Increase the degree of mutual dependency by improving service quality for strategic customer bases, getting rid of cutthroat price competition mode and seeking for profitability by more supply of value-added products and higher technology to customers.
- Increase the amount of inventory by production-sales coordination policy to meet the needs of urgent orders.
- Control expense and reduce production costs by target profit and loss orientation.

III. The effect that external competition, laws and regulations as well as overall operating environment on the Company's developmental strategy in the upcoming years

According to an article published by DHL on December 12, 2022 (Article Source : [The 5 Biggest Business Trends In 2023 Everyone Must Get Ready For Now](#)), it is mentioned that enterprises must deal with the global post- pandemic issues, the Ukrainian-Russian War, economic challenges, and unprecedented rapid technological development in 2023. The article states that the following five trends will have the most significant impact on jobs and business models in 2023.

A. Accelerated digital transformation:

The continuation of innovation and development for transformative technologies such as artificial intelligence (AI), Internet of Things (IoT), virtual and augmented reality (VR/AR), cloud computing, blockchain, 5G and other ultra-fast network communications.

B. Inflation and supply chain stability:

Inflation expectations persist, economic growth slows down and industrial supply chain problems.

C. Sustainable development:

The challenge of climate catastrophe.

D. Immersive Customer Experience:

Metaverse—an umbrella term used by futurists to describe the "next level" of the Internet that allows us to interact with brands and other consumers through immersive technologies, including 3D environments and VR (virtual reality)— is the stage where technology will show its capabilities. These trends will affect both online and brick-and-mortar retail.

E. Talent Challenge:

Accelerated digital transformation leads to more automation in the workplace.

Affected by the above-mentioned external competitive environment, regulatory environment and overall business environment, enterprises need to take the following countermeasures :

- A. Understand the impact of AI and other transformative technology innovations on enterprises, review all processes, and technologies adopted in various areas of operation provides more effective sales and marketing, better customer service, more efficient supply chain, products and services that are more satisfy customer needs, and a more simplify manufacturing process.
- B. Review the company's supply and inflation risks, and take measures such as second suppliers and off-site supply chains to reduce risks.
- C. Promote environment, society and governance (ESG), setting goals and schedule.
- D. Incorporate customer experience and employee experience into product strategy.
- E. Enhance skills training for employees to work with intelligent machines, including creativity, critical thinking, interpersonal communication, leadership, and good use of "human nature" traits such as care and empathy and other training.

As stated above, we can see that changes in the international situation will continue to affect business operations and the challenges brought by new technologies in 2023, the Company's development strategy still maintains growth and profitability and actively develops new products to welcome the arrival of the new era. The Company has maintained a stable business strategy to cope with the changes in the international

situation. We will continue to adopt the following measures for the future development strategy :

- In line with our product application transformation strategy, we are optimizing our product portfolio towards 5G applications, advanced driver assistance system applications for automobiles and satellite signal transmission applications for space.
- Develop new Low Dk (NE glass) series products.
- High compatibility and high reliability product strategy for high frequency/high speed material interface.
- Pursue sustainable management as our goal.
- Dedicate to the promotion of corporate governance.

In the future, we will keep improving our operating performance with the excellence spirit, achieving to the best with our customers and sharing operating achievements with shareholders.

Chairman : Hayashi Hisanobu

President : Yoshida, Kohichi

Accounting Officer : Liu, Chun-Chen

Annex 2

Audit Committee's Review Report

The Board of Directors made the Company's 2022 Stand-alone financial statements which were certified by the accountants who are Chiang, Tsai-Yen and Liu, Chien-Yu of PricewaterhouseCoopers, Taiwan (PwC). The business report and Statements of Deficit Compensation are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Act made a report, please review it.

To
2023 Annual Shareholders' Meeting of
BAOTEK INDUSTRIAL MATERIALS LTD.

Chairman of the Audit Committee: Chang, Chih-Liang

February 23, 2023

BAOTEK INDUSTRIAL MATERIALS LTD.
Performance Assessment Result of Directors and Managers,
and the relevance and reasonableness of remuneration

The results of the individual performance assessments of the directors and managerial officers, and the connection between and reasonableness of the contents and amounts of their individual compensation and performance assessment results :

1. Performance assessment result :

- (1) The Directors of the Company assess individual director's performance pursuant to the " Remuneration Committee Charter " and the " Self-Evaluation or Peer Evaluation of the Board of Directors ", and take the result as the reference base to prescribe remuneration respectively. Aggregated from 2022 performance assessment results, Directors have made a clear understanding of the Company target and duty, responsibility of a director, participating in operations and interacting with operational team well, indicating good condition of overall operation by the Board of Directors.
- (2) The Managers of the Company assess individual manager's annual performance pursuant to the departmental KPI achievements and Annual Individual Performance Scale and take the result as the reference base to prescribe remuneration respectively. 2022 Managers' Performance Assessment Rating showed first-class to outstanding, representing good performance.

2. Amounts of individual remuneration and performance assessment result, as well as reasonableness :

- (1) The remuneration for the Directors of the Company has no changeable remuneration except for monthly fixed travelling expenses. Directors' remuneration is in accordance with the Articles of Incorporation.
- (2) The remuneration for the Managers of the Company is prescribed in terms of the salary policy, the salary level of the position comparing to that in peer industry, scope of duty prescribed for the position and contribution to the Company's operational target.
- (3) The remuneration item and amount for the Director and Manager of the Company as well as performance assessing result showed reasonable.

BAOTEK INDUSTRIAL MATERIALS LTD.

Comparison Table for The Amendments of Rules of Procedure for Board of Directors Meetings

Revised Article	Current Article	Explanation
<p>Article 2 :</p> <p>The board of directors shall meet at least quarterly.</p> <p><u>The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.</u></p> <p>The notification of the convening in the preceding paragraph can be done in writing, by E-mail or by fax.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	<p>Article 2 :</p> <p>The board of directors shall meet at least quarterly.</p> <p>The board of directors of the company shall notify the directors seven days before the meeting, <u>and specify the meeting time, place, and reason for the convening;</u> however, in case of emergency, they may be convened at any time without written notice, <u>and the directors shall not raise objections because the convening notice does not exceed seven days.</u></p> <p>The convocation notice in the preceding paragraph <u>shall specify the reasons</u> for it in writing, e-mail or fax.</p> <p>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 <u>except in the case of an emergency or for other legitimate reason.</u></p>	<p>1. In the view of the fact that subparagraphs in paragraph 1 of Article 12 are important matters related to the Company's operation, and shall be stated in the Background of Convening, which none of them may be proposed by an extempore motion, thus proviso 4 is deleted. In addition, if the Company has an urgent matter that should be submitted to the board of directors for discussion, it may call a meeting at any time in accordance with the provisions of paragraph 2.</p> <p>2. Paragraphs 2 and 3 are amended as appropriate.</p>
<p>Article 12 :</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1. The Corporation's business plan.</p> <p>2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and</p>	<p>Article 12 :</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>1. The Corporation's business plan.</p> <p>2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p> <p>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and</p>	<p>1. Subparagraphs 3 of paragraph 1 is amended as appropriate.</p> <p>2. According to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies “, subparagraph 6 of Paragraph 1 is added, and it is stipulated that if the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors shall be discussed by the board of director, and the current subparagraph 6 to 8 are relisted to subparagraph 7 to 9.</p>

Revised Article	Current Article	Explanation
<p>Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>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.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>7. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>8. 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.</p> <p>9. 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 shareholder meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 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</p>	<p>Exchange Act and assessment of the effectiveness of the internal control system.</p> <p>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.</p> <p>5. The offering, issuance, or private placement of equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>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.</p> <p>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 shareholder meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <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</p>	<p>3. Paragraph 2 is amended to match the subparagraphs involved in paragraph 1, and paragraphs 3 to 4 are not amended.</p>

Revised Article	Current Article	Explanation
<p>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 exempted from inclusion in the calculation.</p> <p>If the company has independent directors, at least one independent director of this Corporation 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>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 exempted from inclusion in the calculation.</p> <p>If the company has independent directors, at least one independent director of this Corporation 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 14 :</p> <p><u>With respect to the board of directors meetings of this Corporation,</u> 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.</p>	<p>Article 14 :</p> <p><u>With respect to this Corporation,</u> 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.</p>	<p>This article is amended as appropriate.</p>

Revised Article	Current Article	Explanation
<p>Article 16 :</p> <p><u>If the board of directors has managing directors, the provisions of paragraph 2 of Article 2, paragraph 4 to 6 of Article 3, Articles 4 to 10, and Articles 13 to 14 shall apply mutatis mutandis to the procedure for meetings of the managing directors; the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors.</u> However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.</p>	<p>Article 16 :</p> <p><u>The provisions of Article 2, paragraph 2, Articles 3 to 10, and Articles 13 to 14 apply, mutatis mutandis, to this Corporation's meetings of the board of managing directors, provided that when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director before 2 days before the meeting.</u></p>	<p>According to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies “, the mutatis mutandis to the election or discharge of the chairman of the board of directors where the board of directors has managing directors are added.</p>
<p>Article 18 :</p> <p>These rules were formulated and approved by the board of directors on February 23, 2005, and approved by the shareholders meeting on May 23, 2005</p> <p>The first revision was approved by the board of directors on March 19, 2007, and reported to the shareholders' meeting on June 13, 2007.</p> <p>The second amendment to the sixth amendment (omitted)</p> <p>The seventh amendment was approved by the board of directors on March 13, 2020, and reported to the shareholders' meeting on June 9, 2020.</p> <p><u>The eighth amendment was approved by the board of directors on March 23, 2023, and reported to the shareholders' meeting on June 16, 2023.</u></p>	<p>Article 18 :</p> <p>These rules were formulated and approved by the board of directors on February 23, 2005, and approved by the shareholders meeting on May 23, 2005</p> <p>The first revision was approved by the board of directors on March 19, 2007, and reported to the shareholders' meeting on June 13, 2007.</p> <p>The second amendment to the sixth amendment (omitted)</p> <p>The seventh amendment was approved by the board of directors on March 13, 2020, and reported to the shareholders' meeting on June 9, 2020.</p>	<p>Add the date of this amendment.</p>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of BAOTEK INDUSTRIAL MATERIALS LTD.

Opinion

We have audited the accompanying balance sheets of BAOTEK INDUSTRIAL MATERIALS LTD. as at December 31, 2022 and 2021, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BAOTEK INDUSTRIAL MATERIAL LTD. as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of BAOTEK INDUSTRIAL MATERIAL LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's financial statements of the current period are stated as follows:

Cut-off of warehouse sales revenue

Description

Refer to Note 4(22) for details of revenue recognition. The Company recognises sales revenue when goods are drop-shipped from factories directly and when customers accept the goods. The supporting documents of revenue recognition include reports or other information provided by warehouse custodians and inventory movement records of warehouses.

As there are hubs located in different countries with numerous custodians, the frequency and contents of statements provided by custodians vary, and as customers are in various locations around the world, the process of revenue recognition involves numerous manual procedures. Additionally, there are numerous daily revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements. Thus, we consider the revenue cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures relative to the above key audit matter:

1. Obtained an understanding of the Company's operations and industry, and assessed the reasonableness of the policy and procedures to recognise revenue.
2. Assessed and checked the appropriateness of cut-off of sales revenue around the balance sheet date, and verified the statements provided by the warehouse custodians.
3. Confirmed the inventory quantities with warehouse custodians and agreed the results to accounting records. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Company in order to confirm whether the significant differences have been adjusted.
4. Confirmed the inventory quantities by performing physical inventory count observation and agreed the results to accounting records.

Valuation of inventory

Description

Refer to Note 4(11) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of inventories. As of December 31, 2022, inventory and allowance for inventory valuation losses amounted to NT\$404,987 thousand and NT\$8,333 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of electronic glass fabrics. As the Company's inventories belong to a rapidly changing industry and are easily affected by the market price, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. Thus, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter

We performed the following audit procedures relative to the above key audit matter:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.
2. Validated the accuracy of inventory aging report, sampled and confirmed the consistency of quantities and amounts indicated in the inventory listing, and verified the proper categorization of inventory aging report.
3. Evaluated and confirmed the reasonableness of net realisable value, and examined the reasonableness of provision for allowance for inventory valuation losses.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 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 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chiang, Tsai-yen

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

BAOTEK INDUSTRIAL MATERIALS LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 140,920	7	\$ 61,433	3
1110	Financial assets at fair value through profit or loss - current	6(2)	1,233	-	1,246	-
1150	Notes receivable, net		20	-	-	-
1170	Accounts receivable, net	6(4)	288,775	13	299,613	14
1180	Accounts receivable - related parties	6(4) and 7	79,467	4	93,647	4
1200	Other receivables		5,971	-	12,215	1
1210	Other receivables due from related parties	7	791	-	752	-
1220	Current tax assets		13	-	-	-
130X	Inventories	6(5)	396,654	18	337,869	16
1410	Prepayments		5,772	-	11,914	1
1470	Other current assets		7,836	1	10,606	-
11XX	Total current assets		<u>927,452</u>	<u>43</u>	<u>829,295</u>	<u>39</u>
Non-current assets						
1600	Property, plant and equipment	6(6), 7 and 8	1,222,588	56	1,235,946	57
1755	Right-of-use assets	6(7)	13,504	-	4,600	-
1840	Deferred income tax assets	6(20)	16,102	1	37,336	2
1900	Other non-current assets		1,932	-	44,674	2
15XX	Total non-current assets		<u>1,254,126</u>	<u>57</u>	<u>1,322,556</u>	<u>61</u>
1XXX	Total assets		<u>\$ 2,181,578</u>	<u>100</u>	<u>\$ 2,151,851</u>	<u>100</u>

(Continued)

BAOTEK INDUSTRIAL MATERIALS LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2150	Notes payable	\$ -	-	\$ 15	-	
2170	Accounts payable	18,382	1	20,996	1	
2180	Accounts payable - related parties	7	142,658	6	184,488	8
2200	Other payables	6(8)	82,208	4	100,936	5
2220	Other payables - related parties	6(8) and 7	25	-	18	-
2280	Current lease liabilities	6(23)	7,132	-	1,882	-
2300	Other current liabilities	6(13)	378	-	323	-
21XX	Total current liabilities		<u>250,783</u>	<u>11</u>	<u>308,658</u>	<u>14</u>
Non-current liabilities						
2580	Non-current lease liabilities	6(23)	6,436	1	2,727	-
2640	Net defined benefit liability, non-current	6(9)	5,773	-	8,318	1
2645	Guarantee deposits received		34	-	34	-
25XX	Total non-current liabilities		<u>12,243</u>	<u>1</u>	<u>11,079</u>	<u>1</u>
2XXX	Total liabilities		<u>263,026</u>	<u>12</u>	<u>319,737</u>	<u>15</u>
Equity						
Share capital						
3110	Common stock	6(10)	1,948,940	89	1,948,940	90
Accumulated deficit						
3350	Accumulated deficit	6(11)	(30,388)	(1)	(116,826)	(5)
3XXX	Total equity		<u>1,918,552</u>	<u>88</u>	<u>1,832,114</u>	<u>85</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 2,181,578</u>	<u>100</u>	<u>\$ 2,151,851</u>	<u>100</u>

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

BAOTEK INDUSTRIAL MATERIALS LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(13) and 7	\$ 1,334,967	100	\$ 1,403,923	100
5000 Operating costs	6(5)(18)(19) and 7	(1,156,967)	(87)	(1,222,615)	(87)
5900 Net operating margin		<u>178,000</u>	<u>13</u>	<u>181,308</u>	<u>13</u>
Operating expenses	6(18)(19) and 7				
6100 Selling expenses		(31,449)	(2)	(34,123)	(2)
6200 Administrative expenses		(67,575)	(5)	(64,648)	(5)
6300 Research and development expenses		(12,479)	(1)	(11,430)	(1)
6450 Impairment expected credit loss	12(2)	<u>8</u>	<u>-</u>	<u>13</u>	<u>-</u>
6000 Total operating expenses		(111,495)	(8)	(110,188)	(8)
6900 Operating profit		<u>66,505</u>	<u>5</u>	<u>71,120</u>	<u>5</u>
Non-operating income and expenses					
7100 Interest income	6(14)	257	-	55	-
7010 Other income	6(15) and 7	7,544	1	11,401	1
7020 Other gains and losses	6(16)	30,816	2	(16,549)	(1)
7050 Finance costs	6(17)	(161)	-	(56)	-
7000 Total non-operating income and expenses		<u>38,456</u>	<u>3</u>	<u>(5,149)</u>	<u>-</u>
7900 Profit before income tax		<u>104,961</u>	<u>8</u>	<u>65,971</u>	<u>5</u>
7950 Income tax expense	6(20)	(20,692)	(2)	(13,025)	(1)
8200 Profit for the year		<u>\$ 84,269</u>	<u>6</u>	<u>\$ 52,946</u>	<u>4</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gain on defined benefit plan	6(9)	\$ 2,711	-	\$ 2,641	-
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(12)	-	-	6,127	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	(542)	-	(528)	-
8310 Other comprehensive income that will not be reclassified to profit or loss		<u>2,169</u>	<u>-</u>	<u>8,240</u>	<u>-</u>
8300 Other comprehensive income for the year		<u>\$ 2,169</u>	<u>-</u>	<u>\$ 8,240</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 86,438</u>	<u>6</u>	<u>\$ 61,186</u>	<u>4</u>
Basic and diluted earnings per share (in dollars)					
9750 Earnings per share	6(22)	<u>\$ 0.43</u>	<u>0.43</u>	<u>\$ 0.27</u>	<u>0.27</u>

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

BAOTEK INDUSTRIAL MATERIALS LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital - common stock	Accumulated deficit	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>2021</u>				
Balance at January 1, 2021	\$ 1,948,940	(\$ 133,807)	(\$ 44,205)	\$ 1,770,928
Net income	-	52,946	-	52,946
Other comprehensive income 6(3)(12)	-	2,113	6,127	8,240
Total comprehensive income	-	55,059	6,127	61,186
Disposal of equity instruments at fair value through other comprehensive income 6(3)(12)	-	(38,078)	38,078	-
Balance at December 31, 2021	<u>\$ 1,948,940</u>	<u>(\$ 116,826)</u>	<u>\$ -</u>	<u>\$ 1,832,114</u>
<u>2022</u>				
Balance at January 1, 2022	\$ 1,948,940	(\$ 116,826)	\$ -	\$ 1,832,114
Net income	-	84,269	-	84,269
Other comprehensive income	-	2,169	-	2,169
Total comprehensive income	-	86,438	-	86,438
Balance at December 31, 2022	<u>\$ 1,948,940</u>	<u>(\$ 30,388)</u>	<u>\$ -</u>	<u>\$ 1,918,552</u>

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

BAOTEK INDUSTRIAL MATERIALS LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 104,961	\$ 65,971
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)	13	(1,162)
Depreciation expense	6(6)(7)(19)	116,358	111,540
Expected credit loss	12(2)	(8)	(13)
(Gain) losses on disposal of property, plant and equipment	6(6)(16)	2,211	(438)
Interest income	6(15)	(257)	(55)
Interest expense	6(18)	161	56
Dividend income	6(15)	-	(3,415)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(20)	-
Accounts receivable		10,842	29,235
Accounts receivable - related parties		14,184	6,458
Other accounts receivable		6,244	5,539
Other receivables due from related parties		(39)	(131)
Inventories		(58,785)	(47,361)
Prepayments		6,142	(6,076)
Other current assets		2,770	4,878
Other non-current assets		21,325	-
Changes in operating liabilities			
Notes payable		(15)	15
Accounts payable		(2,614)	4,579
Accounts payable - related parties		(41,830)	36,576
Other accounts payable		(5,235)	5,513
Other accounts payable - related parties		7	17
Other current liabilities		55	(2,177)
Net defined benefit liability, non-current		166	(1,279)
Cash inflow generated from operations		176,636	208,270
Interest acquired		257	55
Interest paid		(161)	(56)
Income tax paid		(13)	-
Dividend received		-	3,415
Net cash flows from operating activities		<u>176,719</u>	<u>211,684</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	56,790
Acquisition of property, plant and equipment	6(23)	(111,519)	(301,452)
Proceeds from disposal of property, plant and equipment		101	441
Decrease in refundable deposits		21,417	(77)
Net cash flows used in investing activities		<u>(90,001)</u>	<u>(244,298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans		10,100	100
Increase in short-term loans		(10,100)	(100)
Payment of lease liability	6(7)	(7,231)	(6,376)
Net cash flows used in financing activities		<u>(7,231)</u>	<u>(6,376)</u>
Net increase (decrease) in cash and cash equivalents		79,487	(38,990)
Cash and cash equivalents at beginning of year	6(1)	61,433	100,423
Cash and cash equivalents at end of year	6(1)	<u>\$ 140,920</u>	<u>\$ 61,433</u>

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

BAOTEK INDUSTRIAL MATERIALS LTD.
Table of Annual Deficit Compensation in 2022

Unit : New Taiwan Dollar

Item	Sum
Accumulated losses at the beginning of the period	(116,825,703)
Net profit after tax in 2021	84,268,181
Other comprehensive profit and loss (actuarial benefits of defined benefit plans)	2,169,099
Losses to be made up at the end of the period	(30,388,423)

Chairman : Hayashi Hisanobu

President : Yoshida Kohichi

Accounting Officer : Liu, Chun-Chen

Annex 7

BAOTEK INDUSTRIAL MATERIALS LTD.

List of Positions of Directors concurrently serving in other companies

Job title	Name	Job title concurrently hold of the company
Representative of corporate director	Shigeoka So	Director of ALLTE CLOTH CORPORATION

8. Appendix

Appendix 1

BAOTEK INDUSTRIAL MATERIALS LTD. Rules of Procedure for Shareholders Meetings

1. The rules of procedures for this Corporation's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
3. Attendance and voting at shareholders meetings shall be calculated based on the number of shares.
4. The venue for the shareholders' meeting shall be within the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When 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; if there is no vice chairperson or the vice chairperson also is 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, or, 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 the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

6. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

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

7. This Corporation shall make an audio and video recording of the shareholders' meeting procedures. The recorded materials shall be retained for at least 1 year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.

If the quorum is not met after two postponements, 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.

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

9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. After the meeting adjourns, shareholders shall not elect another chairman to continue the meeting at the original location or find another venue.
10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. 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.
11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
12. When a juristic person is appointed to attend as proxy, only one person may be designated to represent in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
13. After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.
14. About the discussion of proposals, when the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of this Corporation. The result of the vote under the preceding paragraph shall be made known immediately and recorded in writing.
16. When a meeting is in progress, the Chair may announce a break based on time considerations.
17. Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, if upon inquiry

by the meeting Chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote.

18. When there is an amendment or an alternative to a proposal, the Chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19. 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."
20. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.
21. This rule was established at the shareholders' meeting on May 29, 1995.
The first amendment was approved by the shareholders meeting on May 27, 1998.
The second amendment was approved by the shareholders' meeting on June 26, 2002.

Appendix 2

BAOTEK INDUSTRIAL MATERIALS LTD. Articles of the company (Before Amendment)

Chapter 1 General Provisions

Article 1 : The Company is incorporated in accordance with the Company Act and registered under the business name of BAOTEK INDUSTRIAL MATERIALS LTD.

Article 2 : The Company's scope of services is set out hereunder:

- 1.C901020 Glass and glass made products manufacturing
- 2.CC01080 Electronic Parts and Components Manufacturing
- 3.F401010 International Trade
- 4.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 : The Company may provide external guarantees for related businesses in respect of business.

Article 3 : The Company has its head office in Taoyuan City, and the Company may establish branches in and out of this country.

Article 4 : Public announcements of the Corporation shall be made in accordance with the article 28 of the Company Act.

Chapter 2 Shares

Article 5 : The total amount of the Company's capital is NT\$2.5 billion, which is further divided into 250 million Shares, with the value per share NT\$10, and issue shares in installments. A total of 15 million shares with the value of NT\$150 million is preserved and with the value per share NT\$10, which will be used for reserved for issuing employee stock options, and the Board is further authorized to issue them in installments thereof. When the company's shares are bought back by the company according to law, the board of directors is authorized to do so in accordance with the law.

Article 6 : The company's stocks are issued in a registered form, signed or stamped by the directors representing the company, and issued after obtaining a bank visa as a stock issuing visa holder according to law.

Article 6-1 : When the Company issues shares, those shares shall be printed together with other shares or otherwise not be printed. The shares not printed shall be kept and recorded by the centralized securities depository enterprise

Article 7 : The company's stock may be merged and reissued in large denomination stocks at the request of Taiwan Securities Central Depository Co., Ltd.

Article 8 : The company's registered stocks are transferred by the endorsement of the stockholders, and the transfer does not record the name of the transferee in the stock, and the transferee's name and address are recorded in the company's shareholder register, it cannot be transferred against the company.

Article 9 : The handling of the company's stock affairs is handled in accordance with the regulations of "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 10 : The total foreign investment of the company can exceed 40% of the paid-up share capital.

Article 11 : Within 60 days before each regular shareholders' meeting, within 30 days before the shareholders' special meeting, or within 5 days before the company's decision to distribute dividends and bonus or other benefits, the transfer of shares shall be suspended.

Chapter 3 Shareholders' Meeting

Article 12 : There are two types of shareholders' meeting, namely, regular meeting and special meeting. The regular meeting shall be convened within six months after the close of each fiscal year, and the board of directors notifies shareholders 30 days before convening. Whereas, special meetings are held in accordance with the law, when necessary.

Article 13 : When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering solicitation document in accordance with the provisions of Article 177 of the Company Act.

Article 14 : When the shareholders' meeting is held, the director shall be the chairman. When the director is absent, the director shall appoint one person to act as the proxy.

Article 15 : A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Article 16 : A resolution is passed at the shareholders' meeting by a majority of the shareholders present who represent more than half of the total number of its outstanding shares.

Article 17 : Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, signed or sealed by the Chairman of the shareholders' meeting and distributed to the shareholders within 20 days after the meeting. The distribution of the proceedings in the preceding paragraph shall be handled in accordance with the provisions of the Company Act. The proceedings shall record the essentials of the proceedings and their results. The proceedings shall be kept with the company's signature book and the solicitation document of proxy.

Chapter 4 Director

Article 18 : The Company shall appoint 7 to 12 directors for a three-year term and may be re-elected after the term. The election of the directors is done using the candidates nomination system, and the shareholders shall elect the directors from among the nominees for director. The relevant matters of acceptance and announcement of candidates shall be operated according to the Company Act, Securities and Exchange Act and related laws and regulations. The number of appointed directors earlier mentioned shall have no less than 3 independent directors and the same shall not be less than one fifth of the total number of directors of the Company.

Article 19 : When the director's shortfall reaches one third, the board of directors shall convene a special shareholders' by-election within sixty days, and the term of office shall be limited to the period for making up the original office.

Article 20 : In case no election of new director is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21 : The Board of Directors is composed of all directors. The Management Director is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. And carry out all affairs of the company in accordance with laws, regulations, resolutions of the shareholders' meeting and the board of directors.

Article 22 : The company's management policy and other important matters are decided by the board of directors. The board of directors shall be convened by the chairman and appointed as the chairman except the first meeting of the board of directors in accordance with the provisions of Article 203 of the Company Act. When the Chairperson of the Board is unable to exercise the powers of the Chairperson, the Chairperson shall appoint one of the directors to act as Chair. Where the Chairperson does not make such a designation, the directors shall select from among themselves one person to serve as Chair.

Article 23 : Unless otherwise stipulated by the Company Act, the board of directors must have more than half of the directors present, with the consent of more than half of the directors. When the director can't attend the BOD meeting, he/she shall present the solicitation document, list the scope of authorization relevant to the subject of the meeting and assign another director to attend the BOD meeting in his/her behalf. The director that is assigned to represent another director can only accept one such assignment.

The participants are deemed present by taking part in the meeting of the Board of Directors using video conference facility when the meeting is conducted by way of video conference. The reason for convening of the Board of Directors shall be stated and the directors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.

Article 24 : The proceedings of the Board of Directors meeting shall be summarized, signed or sealed by the Chairman, and shall be circulated to the directors within 20 days after the meeting. The minutes should record the essentials of the proceedings and their results. The minutes should be kept in the company together with the signature book of the directors present and the solicitation document of proxy.

Article 25 : In accordance with Article 14.4 of the Securities and Exchange Act, the Company sets up the Audit Committee, which is responsible for the execution of the Company Act, the Securities and Exchange Act and other ordinances of the Audit Committee.

Article 25-1 : During the term of office of the Directors, the company may purchase liability insurance for the scope of the business involved and the liability in accordance with the law for the directors.

Article 25-2 : The remuneration of the directors of the company may be determined by the Remuneration/Compensation committee of the company reported to the board of directors according to the level of participation in the company's operations, the value of the contribution, and the industry standard.

Chapter 5 Manager and Staff

Article 26 : The company may have several managers whose appointment and removal and remuneration shall be determined by the board of directors with the consent of more than half of the directors present and more than half of the directors present.

Article 27 : (Deleted)

Article 28 : (Deleted)

Chapter 6 Final Account

Article 29 : The Company shall, at the end of each fiscal year, submit to its shareholders for their ratification (i) the annual business report, (ii) the financial statements, and (iii) the appropriation of profit and remedy in the event of loss proposal.

Article 30 : If the company makes a profit in the year, no less than 5% should be allocated for employees' compensation and no more than 3% for directors' reward. However, when the company still has accumulated losses, it should reserve the compensation amount in advance.

The current year's profit status referred to in the preceding paragraph refers to the current year's pre-tax benefits after deducting the distribution of employees' compensation and directors' compensation.

Article 30-1 : If there is a surplus in the final accounts of the Company of the year, the tax shall be paid to make up for the losses first, and second, 10 percent shall be reserved as statutory surplus reserve, but this is no longer necessary when the statutory surplus reserve has reached the total paid-in capital of the Company. The remaining amount shall be added to the undistributed surplus of the previous year after making or turning over the special surplus reserve according to actual needs or the regulations of the competent authority. The BOD shall prepare the Surplus distribution case to present in the shareholders' meeting for resolution of distribution by issuing new shares.

The company authorizes the board of directors to attend with more than two-thirds of the directors in accordance with Article 240 of the Company Act, and attended the resolution of more than half of the directors. Dividends and bonus or all or part of the statutory surplus reserve and capital reserve required by Article 241 of the Company Act shall be paid in cash and shall be reported to the shareholders' meeting.

The company is currently at a growth stage, the surplus allocation should take into account the future funding needs of the Company and meeting shareholders' needs for cash inflows. If the company distributes its surplus after the annual final accounts, the annual cash dividends paid shall not be less than 20% of the total cash and stock dividends issued in the current year. The shareholders' dividends shall be allocated from the cumulative distributable surplus, and shall not be lower than 10 percent of the annual distributable surplus. However, when the Company has more surplus or sufficient funds, it can increase the cash dividend payment ratio.

Chapter 7 Supplementary Provisions

Article 31 : The company's organizational rules and working rules shall be determined by the board of directors.

Article 32 : Any unspecified matters in this Articles of Incorporation shall be dealt in accordance with the Company Act.

Article 33 : This Article of company was established on July 25, 1992.

The 1st amendment was made on June 23, 1994.

The 2nd amendment was made on May 29, 1995.

The 3rd amendment was made on April 25, 1997.

The 4th amendment was made on June 29, 1997.

The 5th amendment was made on May 27, 1998.

The 6th amendment was made on May 28, 1999.

The 7th amendment was made on June 13, 2000.
The 8th amendment was made on April 6, 2001.
The 9th amendment was made on June 26, 2002.
The 10th amendment was made on April 30, 2003.
The 11th amendment was made on March 29, 2004.
The 12th amendment was made on May 23, 2005.
The 13th amendment was made on June 14, 2006.
The 14th amendment was made on June 13, 2007.
The 15th amendment was made on June 17, 2011.
The 16th amendment was made on June 13, 2012.
The 17th amendment was made on June 10, 2015.
The 18th amendment was made on June 8, 2016.
The 19th amendment was made on June 20, 2017.
The 20th amendment was made on June 21, 2019.
The 21th amendment was made on June 9, 2020.
The 22th amendment was made on August 27, 2021.

Appendix 3

BAOTEK INDUSTRIAL MATERIALS LTD. Rules of Procedure for Board of Directors Meetings (Before Amendment)

Article 1 :

To establish a strong governance system and sound supervisory capabilities for this Corporation'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 :

The board of directors shall meet at least quarterly.

The board of directors of the company shall notify the directors seven days before the meeting, and specify the meeting time, place, and reason for the convening; however, in case of emergency, they may be convened at any time without written notice, and the directors shall not raise objections because the convening notice does not exceed seven days.

The convocation notice in the preceding paragraph shall specify the reasons for it in writing, e-mail or fax.

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 3 :

Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. 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.

According to the company act, the board of directors shall be convened by more than half of the directors by themselves, and shall select one person from among themselves to serve as 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.

The designated unit responsible for the board meetings of this Corporation shall be the accounting department

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 4 :

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 this Corporation's articles of incorporation; the 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 the preceding paragraph may be the appointed proxy of only one person.

Article 5 :

During the board meeting, attendance by videoconference will be deemed attendance in person.

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

Article 6 :

When a board meeting is held, the management (or 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 this Corporation 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 2, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 13, paragraph 25, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 6-1 :

Agenda items for regular board meetings of this Corporation 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 7 :

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 6, paragraph 3 shall apply *mutatis mutandis*.

Article 8 :

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 this Corporation's discretion

Article 9 :

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 anyone 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 10 :

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 this Corporation, 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.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

Where a director is prohibited by the two preceding 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 4 of the same Act.

Article 11 :

For the voting of the board of directors, the chairman may designate the counting staff, and all the directors present shall be the counting staff.

Article 12 :

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

1. The Corporation's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
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.

If the company has independent directors, at least one independent director of this Corporation 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 :

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 this Corporation.

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, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of article 10, 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, supervisor, 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, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the information declaration website designated by competent authority, within 2 days from the date of the meeting:

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 this Corporation.

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

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 and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 4 may produce and distribute in electronic form.

Article 14 :

With respect to this Corporation, 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 15 :

When the board of directors authorizes the chairman to exercise the functions and powers of the board of directors during the recess of the board of directors in accordance with the provisions of the articles of association of the company. In addition to the matters that should be discussed by the board of directors in accordance with laws and regulations or related regulations, and still subject to the resolution of the board of directors, the authorized content or matters are as follows:

1. Depending on the company's working capital, it shall fully handle matters related to the loan amount and conditions of various financial institutions, and report the implementation to the board of directors.
2. Depending on the company's working capital, conduct endorsement guarantee processing within the amount specified in the endorsement guarantee operation procedures and conduct transactions in accordance with the amount specified in the acquisition or disposition of asset handling procedures, and report the implementation to the board of directors.
3. The company's organizational adjustment and revision of organizational rules or articles of association.

Article 16 :

The provisions of Article 2, paragraph 2, Articles 3 to 10, and Articles 13 to 14 apply, mutatis mutandis, to this Corporation's meetings of the board of managing directors, provided that when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director before 2 days before the meeting.

Article 17 :

These Rules of Procedure shall be adopted and revised by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.

Article 18 :

This rule was formulated by the board of directors on February 23, 2005 and reported to the shareholders' meeting on May 23, 2005.

The first revision was approved by the board of directors on March 19, 2007, and reported to the shareholders' meeting on June 13, 2007.

The second amendment was approved by the board of directors on March 12, 2008, and reported to the shareholders' meeting on May 30, 2008.

The third amendment was approved by the board of directors on March 18, 2012, and reported to the shareholders' meeting on June 13, 2012.

The fourth amendment was approved by the board of directors on March 29, 2013, and reported to the shareholders' meeting on June 18, 2013.

The fifth amendment was approved by the board of directors on November 9, 2017, and reported to the shareholders' meeting on June 18, 2018.

The sixth amendment was approved by the board of directors on March 14, 2019, and reported to the shareholders' meeting on June 21, 2019

The seventh amendment was approved by the board of directors on March 13, 2020, and reported to the shareholders' meeting on June 9, 2020.

Appendix 4

BAOTEK INDUSTRIAL MATERIALS LTD.
Shareholding of Directors

The company's paid-in capital is NT\$1,948,939,640. A total of 194,893,964 shares have been issued, in accordance with the second paragraph of Article 26 of the "Securities Exchange Act" and "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares that all directors should hold is 11,693,637 shares.

As of April 18, 2023, the regular shareholders' meeting had closed. The number of shares held by all directors of the company was 92,865,791 shares. Individual directors held shares as follows:

Position	Name	Date of election	Numbers of shares held at the time of election			Numbers of shares held now			Note
			Type	Shares	Percentage of issued shares	Type	Shares	Percentage of issued shares	
Chairman	Nitto Boseki Co., Ltd. Representative : Yoshida, Kohichi	2022.06.17	Common stock	92,865,791	47.65%	Common stock	92,865,791	47.65%	
Director	Nitto Boseki Co., Ltd. Representative : Sato Eiji								
Director	Nitto Boseki Co., Ltd. Representative : Shigeoka So								
Director	Nitto Boseki Co., Ltd. Representative : Liu, Chun-Chen								
Independent Director	Chang, Chih-Liang	2022.06.17	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Yang, Yan-Shou	2022.06.17	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Wang, Chia-Nan	2022.06.17	Common stock	0	0.00%	Common stock	0	0.00%	
Total			Common stock	92,865,791	47.65%	Common stock	92,865,791	47.65%	

Note1 : Total shares issued on 17 June, 2022: 194,893,964 shares ; Total shares issued on 18 April, 2023: 194,893,964 shares

Note2 : The company has established an Audit Committee ; therefore, the Supervisors' shareholdings requirement is not applicable.

Appendix 5

Effect upon business performance, earnings per share and ROE of any stock dividend distribution :

The company has no surplus in the year of 2022 for any stock dividend distribution, so it is not applicable.