

Stock code: 3712

FIT Holding Co., Ltd.

2021 General Shareholders' Meeting Meeting Agenda

June 22, 2021

(Venue: 2nd floor, No. 49, Section 4, Zhongyang Road, Tucheng
District, New Taipei City)

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FIT Holding Co., Ltd.

Meeting Procedure of 2021 General Shareholders' Meeting

Time: 9 am on June 22 (Tuesday), 2021

Venue: No. 49, Section 4, Zhongyang Road, Tucheng District,
New Taipei City (Conference Room, 2nd floor)

I. Report on the attendance rate

I. Call Meeting to Order

II. Chairman's Speech

III. Matters to be Reported

IV. Acknowledgement and Discussion Items

VI. Extempore Motions

VII. Meeting Adjourned

FIT Holding Co., Ltd.

Agenda of 2021 General Shareholders' Meeting

I. Chairman's Speech

II. Matters to be Reported

1. The Company's business report for the year 2020.
2. Audit Committee's report on the review of the Company's final accounts for the year 2020.
3. Report on the Company's distribution of earnings and capital reserve in cash for the year 2020.
4. Report on the Company's distribution of remuneration of employees and directors for the year 2020.

III. Acknowledgement and Discussion Items

1. Recognition of the Company's final business accounts and earnings distribution table for the year 2020.
2. Discussion on the revision of the Company's "Method for Election of Directors".

IV. Extempore Motions

V. Meeting Adjourned

Matters to be Reported

Proposal 1

Proposal: The Company's business report for the year 2020; please review.

Explanation: Please refer to Attachment 1 (pages 7~11) for the business report.

Proposal 2

Proposal: Audit Committee's report on the review of the Company's final accounts for the year 2020; please review.

Explanation: Please refer to Attachment 2 (page 12) for the Audit Committee's review report.

Proposal 3

Proposal: Report on the Company's distribution of earnings and capital reserve in cash for the year 2020; please review.

Explanation: I. The board meeting of the Company decides to allocate cash dividends to shareholders from the distributable earnings of 2020 for a total of NT\$73,872,644, at NT\$0.3 per share. The capital reserve of NT\$172,369,503 from the premium over the share issuance amount at face value will be distributed in cash at NT\$0.7 per share. The distribution will be made according to the shareholdings of shareholders as recorded in the register of shareholders on the ex-dividend date at NT\$1 per share (calculated to NT\$1, and the amount less than NT\$1 will be discarded).

II. The chairman of the board is authorized to determine the ex-dividend date, issue date and other relevant matters. If the dividend rate is subject to change due to the change of the number of outstanding ordinary shares of the Company, the chairman of the board is also authorized to handle it with full authority.

Proposal 4

Proposal: Report on the Company's distribution of remuneration of employees and directors for the year 2020; please review.

Explanation: In accordance with the Company Act and the Articles of Association, the Company distributed NT\$5,600,000 as the remuneration of its employees and NT\$1,200,000 as the remuneration of its directors, and all of them were paid in cash. There was no difference between the amount in the resolution above and the expenses recognized in 2020.

Acknowledgement and Discussion Items

Proposal 1 Board of Directors Proposal

Proposal: The Company's final business accounts and earnings distribution table for the year 2020; please recognize.

Explanation: I. The financial statements of the Company for the year 2020 have been audited by PwC Taiwan, and have been reviewed together with the business report by the Audit Committee, and a written review report is issued accordingly.

II. The earnings distribution table for the year 2020 was approved by the board meeting, and the review by the Audit Committee has been completed.

III. Please refer to Attachment 1 to Attachment 4 (page 7~39) for the related documents.

Resolution:

Proposal 2 Board of Directors Proposal

Proposal: Revision of the Company's "Method for Election of Directors"; please discuss.

Explanation: It is proposed to revise the Company's "Method for Election of Directors" to meet operation needs; please refer to Attachment 5 (page 40~43) for the comparison table of the revised articles.

Resolution:

Extempore Motions

Meeting Adjourned

FIT Holding Co., Ltd.

Business Report

The consolidated operating income of the Company in 2020 was NT\$7,053,361 thousand, a decline of 20.21% compared with NT\$8,840,159 thousand in 2019. The net profit after tax attributable to the parent company in 2020 was NT\$83,599 thousand, an increase of 144.22% from the NT\$189,059 thousand net loss after tax attributable to the parent company in 2019; other than the decrease of loss of the subsidiary Glory Science Co., Ltd. compared with last year due to the efforts of the team, the fact that the technical service and engineering revenue recognized by Shinfox Energy also contributed greatly to the Group's profit; the revenue and profit of the other subsidiaries Foxlink Image Technology Co., Ltd. and Power Quotient International Co.,Ltd. maintained the previous year's level. The Company was able to grow and make a profit under the severe COVID-19 pandemic in 2020. As the pandemic situation is gradually improving this year, the better operating performance of the Company this year is expected. I would like to thank all employees and shareholders for their contribution and support in the past year.

The important strategic growth of the Group's next stage is still a focus on the fields of "clean energy" and "energy saving and carbon reduction". The Company is striving for a layout in the green energy and carbon reduction industry. At present, the Group comprises Shifeng Power in charge of hydropower, Shinfox Energy in charge of land wind power and solar power plant turnkey projects and maintenance, and Fuwei Energy in charge of offshore wind power and solar power plant investment, development and operation; Xinxin Natural Gas has obtained the import permit of liquefied natural gas (LNG) to improve air pollution and serve as a cleaner alternative fuel, and it is estimated that the supply operations of the first batch of imported natural gas will be completed by the end of August 2021; Fuwei Power offers green power trading and integrates energy-saving services and power services such as energy storage system to form a comprehensive energy service platform through e-commerce. FIT Group is looking forward to creating a sustainable living environment, building competitiveness for new energy and energy saving industries, and contributing to the wellbeing of the earth.

The Company will thrive on a stable basis and create greater profits for shareholders. Therefore, we need to be prepared to face challenges and solve problems, so as to ensure the growth of the Company's revenue and profit. Lastly, I hope that all shareholders can continue to support and encourage the Company, and I wish all shareholders the best of everything.

Chairman T.C. Gou

I. 2020 Business Results

(1) Implementation Results of Business Plan

Financial report prepared in accordance with the law Unit: NT\$ thousand

item	2020	2019	Growth rate
Operating income	7,053,361	8,840,159	(20.21%)
Operating cost	6,168,735	8,226,631	(25.02%)
Operating margin	884,626	613,528	44.19%
Operating expenses	1,105,280	1,146,824	(3.62%)
Operating loss	(220,654)	(533,296)	58.62%
Non-operating income and expenses	512,107	305,166	67.81%
Net profit (loss) before tax	291,453	(228,130)	227.76%
Net profit (loss) for the period	179,775	(197,033)	191.24%
Net profit (loss) attributable to the parent company	83,599	(189,059)	144.22%

(2) Budget Execution Ability

The Company did not prepare the 2020 financial forecast, so it is not applicable.

(3) Profitability Analysis

Year		2020	2019
Return on assets (%)		1.20	(0.78)
Return on shareholders' equity (%)		2.39	(2.79)
Percentage of paid-in capital (%)	Operating profit	(8.96)	(21.66)
	Net profit before tax	11.84	(9.26)
Net profit rate (%)		2.55	(2.23)
Basic earnings per share (NT\$) (note)		0.34	(0.77)

Note: The ratios above are based on the figures in the consolidated financial statements, and the earnings per share are calculated based on the number of shares after retrospective adjustment.

(4) Research development status

3C components:

1. Patent application.
2. Mold technology and molding technology.
3. Improved automation capabilities.
4. Process efficiency and yield.
5. Research and development of new materials.
6. Development and application of new technologies and new products.
7. Application and cooperative development of other optical products.

3C retail and peripheral products:

1. In response to the needs of the fast charging market, a series of fast charging products have been launched, including GaN 65W, 36W, 24W and other fast chargers with output requirements. In the future, 50W and 100W fast charging products will be developed to meet the simultaneous charging requirement of multiple devices.
2. The 10000 mAh PD 18W portable power bank is launched, and the development of a 20000 mAh PD 45W high-output power bank is planned to meet the mobile charging requirement of tablets/small laptops.
3. The SSD external mobile hard disk is launched to provide light, stable and high-performance data transmission.
4. Electric assisted bicycles are planned to be launched in response to the world trend of green energy and carbon reduction.
5. Forehead temperature reader products have been introduced in line with new life measures for epidemic prevention,

Energy service management:

1. Development of the renewable energy and clean energy markets.
2. The project contracting business of power plants and the improvement of the operation efficiency of power plant maintenance and operation.

System and peripheral products:

1. Participation in the development process of customers' new products to provide customers with various solutions and technical support.
2. Actively striving to cultivate R&D talents across the Taiwan Strait, including talents of software, firmware, optics and mechanism, strengthening on-the-job training and enriching the capability of the R&D team.
3. Comprehensively promoting the control of prohibited substances to meet environmental protection needs, promoting lead-free products and

developing materials and products that meet environmental protection requirements.

4. Continuing to develop products of digital imaging and automatic paper feeder modules, and actively investing in mold development to increase the Company's core mold technology, enhance mold competitiveness, and strengthen one-stop service to customers.
5. Establishing a complete testing center to provide rapid testing and verification services during the R&D phase to improve product design quality.

II. Summary of 2021 Business Plan

(1) Business policy

After the establishment of the Company, Glory Science Co., Ltd. Power Quotient International Co.,Ltd. and Foxlink Image Technology Co., Ltd. can further strengthen the advantages in their respective professional fields; later, Shifeng Power and Shinfox Energy will get on board to get a foothold in the energy service field. Under the complementation, sharing and full cooperation in marketing, procurement and R&D resources, we will integrate the resources of each company, give full play to the advantages of integrated marketing; after vertically integrating upstream and downstream products, the Company will expand the scale of operations, increase economic benefits, and improve the overall operating performance and competitive capability, so as to expand the space for the future growth of each entity. At the same time, we expect to gain commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging industries, in order to provide customers with better, efficient and comprehensive services, so as to create the Company's best operating performance and seek the maximum profit for shareholders.

The Company assists in the integration of resources within the Group, so that each business entity can focus on its business, while taking into account the flexibility and efficiency of independent operation and development, and improve the efficiency of corporate division of labor.

(2) Expected sales volume and estimation basis

The Group's products are mainly consumer electronics products. As the industry growth trend of mobile phone lens modules and optical connectors remains unchanged, and the system and peripheral product industries are actively expanding customers and developing new products, the sales volume of each product is expected to reach a trend of stable growth. In terms of energy services, it is mainly energy-saving services, equipment maintenance services, and solar engineering design and development services, the sales volume of which cannot be calculated.

(3) Important production and marketing policies

The Group will enhance its internal management capabilities to reduce various production costs, continue to expand production capacity, actively cultivate talents, strengthen employee training, make good use of group resources, provide customers with the best service and technical resources, and establish a good cooperative relationship with customers to achieve a win-win goal.

III. Future Company Development Strategy

The subsidiaries of the Group further strengthen the advantages in their respective professional fields, and under the complementation, sharing and full cooperation in marketing, procurement and R&D resources, integrate the resources of each company, give full play to the advantages of integrated marketing; after vertically integrating upstream and downstream products, the Company will expand the scale of operations, increase economic benefits, and improve the overall operating performance and competitive capability, so as to expand the space for the future growth of each entity. At the same time, we expect to gain commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging industries, in order to provide customers with better, efficient and comprehensive services, so as to create the Company's best operating performance and seek the maximum profit for shareholders.

IV. Impact from External Competition, Legal Environment and Overall Business Environment

In the face of the rapidly changing industry and business environment, the Group will strengthen its management and promote its operation efficiency, and improve the Company's operation with a more positive attitude and service. In addition to the continuous control of fixed management and marketing costs, we also use the relevant resources of the Group to develop and produce products, so as to strengthen the cost competitiveness and timeliness of our products. In combination with the technical guidance of the Group, we will develop forward-looking products, strengthen product differentiation and enhance competitiveness. Green energy is supported by current policies and decrees, and will bring a greater vision to the FIT Group.

Person in charge:T.C. Gou Manager: T.C. Gou Head of accounting: Kun-Huang Lin

Audit Committee's Review Report

The board of directors of the Company prepared and submitted the business report, financial statements and earnings distribution proposal for 2020. The financial statements were already audited by PwC Taiwan, and the Independent Auditor's Report was issued accordingly. The above-mentioned business report, financial statements and earnings distribution schedule have been reviewed by the Audit Committee, with no discrepancy detected. Therefore, this report is issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; kindly review and approve.

FIT Holding Co., Ltd.

Convener of Audit Committee: Ralph Chen

March 26, 2021

INDEPENDENT AUDITORS' REPORT

PWCR 20005325

To the Board of Directors and Shareholders of FIT Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of FIT Holding Co., Ltd. and subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China; and in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" , "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020" and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as of and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 and the report of other auditors are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Assessment of allowance for inventory valuation losses

Description

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

The Company's subsidiaries are primarily engaged in the manufacturing and sale of optical instruments, peripheral equipment components, 3C products, image scanners and multifunction printers. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to an economic slowdown or an excess of supply over demand. Those subsidiaries' inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

Those subsidiaries' amounts of inventory were material, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. The assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses.
- B. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in line with its policies.
- C. Tested inventory valuation basis adequacy and recalculated the selected samples' information in order to verify that the inventory was measured at the lower of cost and net realisable value.

Valuation of goodwill impairment

Description

Please refer to Note 4(20) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(12) for details of intangible assets.

The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd.. The Company valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained the external appraisal report on impairment valuation and examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
- B. Assessed that the valuation model used in the appraisal report was widely used and appropriate.
- C. Assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Valuation of property, plant and equipment impairment

Description

Please refer to Note 4(20) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to property, plant and equipment impairment valuation, and Note 6(8) for details of property, plant and equipment.

As the 3C components' life cycles are relatively short and the market is highly competitive, there is a high risk of property and equipment incurring an impairment loss. The Company's subsidiaries valued the impairment of the cash generating unit's property, plant and equipment which had an indication of impairment. We mainly relied on the external appraisal report. As the external appraisal report on impairment valuation involved subjective judgement and a high degree of uncertainty which would

cause a material impact on the valuation result, the valuation of property, plant and equipment impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
- B. Verified whether the list of properties for the external appraiser is correct.
- C. Assessed that the valuation method used in the appraisal report was appropriate.
- D. Tested the external appraisal report's valuation basis adequacy.

Other matter-Parent company only financial reports

We have audited and expressed an unqualified opinion and an unqualified opinion with an other matters section on the parent company only financial statements of FIT Holding Co., Ltd. as at and for the years ended December 31, 2020 and 2019, respectively.

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

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

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

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

financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liang Yi Chang

Lin, Se-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 26, 2021

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,148,889	23	\$ 1,820,304	10
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	129,150	1
1136	Current financial assets at amortised cost	6(4) and 8	5,574,504	24	1,487,355	8
1140	Current contract assets		104,591	-	169,992	1
1150	Notes receivable, net	6(5)	4,846	-	8,636	-
1170	Accounts receivable, net	6(5)	895,437	4	1,098,557	6
1180	Accounts receivable - related parties	7	394,721	2	46,297	-
1200	Other receivables		8,061	-	6,923	-
130X	Inventories	6(6)	867,146	4	1,239,969	7
1410	Prepayments		401,542	2	532,840	3
1470	Other current assets		43,292	-	200,172	1
11XX	Current Assets		13,443,029	59	6,740,195	37
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,345,419	10	2,229,668	12
1535	Non-current financial assets at amortised cost	6(4) and 8	19,091	-	20,318	-
1550	Investments accounted for under equity method	6(7)	1,017,177	4	806,459	4
1600	Property, plant and equipment	6(8) and 8	3,411,488	15	5,279,784	29
1755	Right-of-use assets	6(9)	574,928	3	650,279	4
1760	Investment property, net	6(11)	391,072	2	393,708	2
1780	Intangible assets	6(12)	985,094	4	1,027,695	6
1840	Deferred income tax assets	6(28)	339,752	1	335,184	2
1915	Prepayments for business facilities		162,580	1	589,831	3
1990	Other non-current assets, others	6(13) and 8	117,379	1	134,797	1
15XX	Non-current assets		9,363,980	41	11,467,723	63
1XXX	Total assets		\$ 22,807,009	100	\$ 18,207,918	100

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2020		December 31, 2019				
			Notes	AMOUNT	%	AMOUNT	%		
Current liabilities									
2100	Short-term borrowings	6(14)	\$	3,129,800	14	\$	1,996,744	11	
2110	Short-term notes and bills payable	6(15)		307,237	1		314,958	2	
2130	Current contract liabilities	6(22)		640,316	3		279,542	2	
2150	Notes payable			155	-		3,273	-	
2170	Accounts payable			982,146	4		1,331,548	7	
2180	Accounts payable to related parties	7		22,070	-		118,207	1	
2200	Other payables	6(16)		618,327	3		1,101,980	6	
2220	Other payables to related parties	7		4,037,439	18		33,375	-	
2230	Current income tax liabilities	6(28)		29,029	-		31,587	-	
2280	Current lease liabilities	7		70,164	-		79,622	-	
2300	Other current liabilities	6(17)		705,882	3		522,415	3	
21XX	Current Liabilities			10,542,565	46		5,813,251	32	
Non-current liabilities									
2540	Long-term borrowings	6(18)		3,542,047	16		4,208,453	23	
2570	Deferred income tax liabilities	6(28)		252,107	1		170,688	1	
2580	Non-current lease liabilities	7		266,888	1		267,194	1	
2600	Other non-current liabilities			26,147	-		884,177	5	
25XX	Non-current liabilities			4,087,189	18		5,530,512	30	
2XXX	Total Liabilities			14,629,754	64		11,343,763	62	
Equity									
	Share capital	6(19)							
3110	Share capital - common stock			2,462,421	11		2,462,421	14	
	Capital surplus	6(20)							
3200	Capital surplus			4,198,013	19		4,237,390	23	
	Retained earnings	6(21)							
3320	Special reserve			8,361	-		8,361	-	
3350	Unappropriated retained earnings								
	(accumulated deficit)			89,848	-	(281,965)	(2)
	Other equity interest								
3400	Other equity interest			299,956	1		278,098	2	
31XX	Equity attributable to owners of the parent			7,058,599	31		6,704,305	37	
36XX	Non-controlling interest			1,118,656	5		159,850	1	
3XXX	Total equity			8,177,255	36		6,864,155	38	
	Significant contingent liabilities	9							
	Significant events after the balance sheet date	11							
3X2X	Total liabilities and equity		\$	22,807,009	100	\$	18,207,918	100	

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(22) and 7	\$ 7,053,361	100	\$ 8,840,159	100
5000 Operating costs	6(6)(27) and 7	(6,168,735)	(87)	(8,226,631)	(93)
5900 Gross profit		884,626	13	613,528	7
Operating expenses	6(27)				
6100 Selling expenses		(222,319)	(3)	(296,276)	(3)
6200 General and administrative expenses		(498,526)	(7)	(511,367)	(6)
6300 Research and development expenses		(383,683)	(6)	(338,228)	(4)
6450 Expect credit loss	12(2)	(752)	-	(953)	-
6000 Total operating expenses		(1,105,280)	(16)	(1,146,824)	(13)
6900 Operating loss		(220,654)	(3)	(533,296)	(6)
Non-operating income and expenses					
7100 Interest income	6(23)	30,038	-	51,989	1
7010 Other income	6(24)	200,938	3	224,636	2
7020 Other gains and losses	6(25)	316,501	5	49,694	1
7050 Finance costs	6(26) and 7	(107,403)	(2)	(75,620)	(1)
7060 Share of profit of associates and joint ventures accounted for using equity method	6(7)	72,033	1	54,467	1
7000 Total non-operating income and expenses		512,107	7	305,166	4
7900 Profit (loss) before income tax		291,453	4	(228,130)	(2)
7950 Income tax (expense) benefit	6(28)	(111,678)	(1)	31,097	-
8200 Profit (loss) for the year		\$ 179,775	3	(\$ 197,033)	(2)

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31			
		2020		2019	
Items	Notes	AMOUNT	%	AMOUNT	%
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	\$ 7,786	-	\$ 1,208	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	41,754	-	560,816	6
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	20	-	(27)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,557)	-	(241)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	48,003	-	561,756	6
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	(27,551)	-	(180,447)	(2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	480	-	(1,786)	-
8399	Income tax relating to the components of other comprehensive income	4,658	-	34,052	-
8360	Components of other comprehensive loss that will be reclassified to profit or loss	(22,413)	-	(148,181)	(2)
8300	Other comprehensive income for the year	\$ 25,590	-	\$ 413,575	4
8500	Total comprehensive income for the year	\$ 205,365	3	\$ 216,542	2
Profit (loss), attributable to:					
8610	Owners of the parent	\$ 83,599	1	(\$ 189,059)	(2)
8615	Former owner of business combination under common control	-	-	(17,953)	-
8620	Non-controlling interest	96,176	2	9,979	-
	Total	\$ 179,775	3	(\$ 197,033)	(2)
Comprehensive income attributable to:					
8710	Owners of the parent	\$ 111,706	2	\$ 234,752	2
8715	Former owner of business combination under common control	-	-	(18,250)	-
8720	Non-controlling interest	93,659	1	40	-
	Total	\$ 205,365	3	\$ 216,542	2
Earnings (loss) per share					
9710	Basic earnings (loss) per share from continuing operations	\$	0.34	(\$	0.77)
9720	Basic earnings (loss) per share from equity attributable to former owner of business combination under common control	-	-	(0.07)	-
9750	Basic earnings per share	\$ 0.34	-	(\$ 0.84)	-
9810	Diluted earnings (loss) per share from continuing operations	\$	0.34	(\$	0.77)
9820	Diluted earnings (loss) per share from equity attributable to former owner of business combination under common control	-	-	(0.07)	-
9850	Diluted earnings per share	\$ 0.34	-	(\$ 0.84)	-

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained earnings			Other equity interest						
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Equity attributable to former owner of business combination under common control	Non-controlling interest	Total equity
Year 2019											
Balance at January 1, 2019		\$ 2,462,421	\$ 5,019,688	\$ 8,361	(\$ 173,844)	(\$ 81,588)	(\$ 63,185)	\$ 7,171,853	(\$ 77,196)	\$ 159,810	\$ 7,254,467
Profit (loss)		-	-	-	(189,059)	-	-	(189,059)	(17,953)	9,979	(197,033)
Other comprehensive income (loss)		-	-	-	940	(137,945)	560,816	423,811	(297)	(9,939)	413,575
Total comprehensive income (loss)		-	-	-	(188,119)	(137,945)	560,816	234,752	(18,250)	40	216,542
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	-	-	(129)	-	-	(129)	-	-	(129)
Capital surplus used to cover accumulated deficits	6(21)	-	(166,692)	-	166,692	-	-	-	-	-	-
Cash dividends paid by additional paid-in capital	6(20)	-	(615,606)	-	-	-	-	(615,606)	-	-	(615,606)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	8,881	-	8,881
Adjustments to reorganisation		-	-	-	(86,565)	-	-	(86,565)	86,565	-	-
Balance at December 31, 2019		\$ 2,462,421	\$ 4,237,390	\$ 8,361	(\$ 281,965)	(\$ 219,533)	\$ 497,631	\$ 6,704,305	\$ -	\$ 159,850	\$ 6,864,155
Year 2020											
Balance at January 1, 2020		\$ 2,462,421	\$ 4,237,390	\$ 8,361	(\$ 281,965)	(\$ 219,533)	\$ 497,631	\$ 6,704,305	\$ -	\$ 159,850	\$ 6,864,155
Profit		-	-	-	83,599	-	-	83,599	-	96,176	179,775
Other comprehensive income (loss)		-	-	-	6,249	(19,896)	41,754	28,107	-	(2,517)	25,590
Total comprehensive income		-	-	-	89,848	(19,896)	41,754	111,706	-	93,659	205,365
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	59,741	-	-	-	-	59,741	-	-	59,741
Capital surplus used to cover accumulated deficits	6(21)	-	(281,965)	-	281,965	-	-	-	-	-	-
Changes in non-controlling interest		-	182,847	-	-	-	-	182,847	-	864,920	1,047,767
Compensation costs		-	-	-	-	-	-	-	-	227	227
Balance at December 31, 2020		\$ 2,462,421	\$ 4,198,013	\$ 8,361	\$ 89,848	(\$ 239,429)	\$ 539,385	\$ 7,058,599	\$ -	\$ 1,118,656	\$ 8,177,255

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		\$ 291,453	(\$ 228,130)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	752	953
Depreciation (including investment property and right-of-use assets)	6(27)	469,758	725,389
Amortisation	6(27)	15,823	19,025
Loss on disposal of property, plant and equipment	6(25)	1,555	7,258
Financial assets at fair value through profit or loss	6(2)(25)	(1,387)	(4,843)
Share of profit of associates and joint ventures accounted for using the equity method		(72,033)	(54,467)
Gain on disposal of investments	6(25)	(266,613)	(11,395)
Interest expense	6(26)	107,403	75,620
Interest income	6(23)	(30,038)	(51,989)
Dividend income	6(24)	(72,193)	(44,690)
Compensation cost		227	-
Loss on lease modification	6(25)	-	(2,141)
Deferred government grants revenue recognised	6(25)	(11,233)	(32,358)
Gain recognized in bargain purchase transaction	6(24)	-	(92,235)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		129,202	(129,720)
Current contract assets		65,401	(145,958)
Notes receivable, net		3,790	(5,300)
Accounts receivable		176,357	321,832
Other receivables	(	( 4,900)	344,677
Accounts receivable - related parties	(	( 348,424)	(9,871)
Inventories		284,696	105,350
Prepayments		114,769	(245,642)
Other current assets		83,757	(95,186)
Other non-current assets		4,612	(13,887)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		-	401
Contract liabilities - current		360,774	97,700
Notes payable	(	( 3,118)	(460)
Accounts payable	(	( 321,197)	93,500
Accounts payable to related parties	(	( 96,137)	31,605
Other payables		246,787	(218,678)
Increase in other payables to related parties		4,104	-
Other current liabilities		50,730	11,778
Cash inflow generated from operations		1,184,677	448,138
Interest received		32,365	40,851
Interest paid	(	( 107,214)	(74,825)
Dividend received		168,111	44,690
Income tax paid	(	( 15,995)	(152,235)
Net cash flows from operating activities		1,261,944	306,619

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortised cost	(\$	4,085,922)	(\$ 905,124)
Proceeds from disposal of investments accounted for using the equity method		73,620	71,106
Acquisition of property, plant and equipment	(	894,071)	(1,284,800)
Proceeds from disposal of property, plant and equipment		3,089	2,829
Acquisition of right-of-use assets		-	(18,465)
Acquisition of intangible assets	(	3,431)	(4,287)
Increase in prepayments for business facilities		-	(365,675)
Increase in refundable deposits		4,830	(7,033)
Cash received due to disposal of subsidiaries		441,275	-
Proceeds from capital reduction of investments accounted for using equity method		342,528	-
Acquisition of investments accounted for using the equity method	(	210,000)	-
Acquisition of subsidiary (excluding cash)		-	(279,811)
Net cash flows used in investing activities	(	4,328,082)	(2,791,260)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	(	22,861,084)	(9,400,639)
Increase in short-term borrowings		23,994,140	10,297,383
Increase (decrease) in short-term notes payable	(	7,721)	(39,976)
Increase in long-term borrowings		6,369,016	5,791,574
Decrease in long-term borrowings	(	5,915,480)	(4,170,858)
Repayment of lease liabilities	(	75,122)	(105,446)
Increase in other payables to related parties		4,000,000	-
Increase (decrease) in other non-current liabilities		6,702	(5,684)
Cash dividends paid	6(20)	-	(615,605)
Changes in non-controlling interest		1,047,767	-
Net cash flows from financing activities		6,558,218	1,750,749
Changes in foreign currency exchange	(	163,495)	(193,306)
Net increase (decrease) in cash and cash equivalents		3,328,585	(927,198)
Cash and cash equivalents at beginning of year		1,820,304	2,747,502
Cash and cash equivalents at end of year	\$	5,148,889	\$ 1,820,304

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

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying parent company only balance sheets of FIT Holding Co., Ltd. (the “Company”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2020 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The balance of investments accounted for under the equity method recognised from the Company's subsidiaries, Glory Science Co., Ltd. (Glory Science), Power Quotient International Co., Ltd. (PQI) and Foxlink Image Technology Co., Ltd. (Foxlink Image) and Shih Fong Power Co., Ltd. (Shih Fong) and investee accounted for using equity method, Foxwell Energy Co., Ltd. (Foxwell Energy), amounted to NT\$7,876,626 thousand, constituting 96% of the Company's total assets as at December 31, 2020, and the investment profit (shown as operating revenue) amounted to NT\$102,367 thousand. Please refer to Note 4(7) for accounting policies on investments accounted for under the equity method and Note 6(1) for details of investments accounted for under the equity method. As the amounts are material to the parent company only financial statements of the Company, the investments accounted for under equity method - assessment of allowance for inventory valuation losses, investments accounted for under equity method - valuation of goodwill impairment and investments accounted for under equity method - valuation of property, plant and equipment impairment were identified as key audit matters.

Key audit matters for the Company's 2020 parent company only financial statements are stated as follows:

Investments accounted for under equity method - Assessment of allowance for inventory valuation losses

Description

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

The Company's subsidiaries are primarily engaged in the manufacturing and sale of optical instruments, peripheral equipment components, 3C products, image scanners and multifunction printers. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to an economic slowdown or an excess of supply over demand. Those subsidiaries' inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

Those subsidiaries' amounts of inventory were material, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. The assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses.
2. Verified whether the systematic logic used in the inventory aging report is appropriate and in line with its policies.
3. Tested inventory valuation basis adequacy and recalculated the selected samples' information in order to verify that the inventory was measured at the lower of cost and net realisable value.

Investments accounted for under equity method - Valuation of goodwill impairment

Description

Please refer to Note 4(20) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(12) in the consolidated financial statements for details of intangible assets.

The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd.. The Company valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the external appraisal report on impairment valuation and examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
2. Assessed that the valuation model used in the appraisal report was widely used and appropriate.
3. Assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Investments accounted for under equity method - Valuation of property, plant and equipment impairment

Description

Please refer to Note 4(20) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to property, plant and equipment impairment valuation, and Note 6(8) in the consolidated financial statements for details of property, plant and equipment.

As the 3C components' life cycles are relatively short and the market is highly competitive, there is a high risk of plant and equipment incurring an impairment loss. The Company's subsidiaries valued the impairment of the cash generating unit's property, plant and equipment which had an indication of impairment. We mainly relied on the external appraisal report. As the external appraisal report on impairment valuation involved subjective judgement, various assumptions and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of property, plant and equipment impairment was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
2. Verified whether the list of properties for the external appraiser is correct.
3. Assessed that the valuation method used in the appraisal report was appropriate.
4. Tested the external appraisal report's valuation basis adequacy.

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

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Liang Yi Chang

Lin, Se-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 26, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and 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.

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents		\$ 2,150	-	\$ 665	-
1210	Other receivables - related parties	7	350,364	4	-	-
1410	Prepayments		89	-	-	-
11XX	Current Assets		352,603	4	665	-
Non-current assets						
1550	Investments accounted for under equity method	6(1)	7,876,626	96	7,623,551	100
15XX	Non-current assets		7,876,626	96	7,623,551	100
1XXX	Total assets		\$ 8,229,229	100	\$ 7,624,216	100

(Continued)

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2020		December 31, 2019			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(3)	\$	757,800	9	\$	615,000	8
2200	Other payables			12,800	-		4,893	-
2300	Other current liabilities			30	-		18	-
21XX	Current Liabilities			770,630	9		619,911	8
Non-current liabilities								
2540	Long-term borrowings	6(4)		400,000	5		300,000	4
25XX	Non-current liabilities			400,000	5		300,000	4
2XXX	Total Liabilities			1,170,630	14		919,911	12
Equity								
Share capital								
3110	Share capital - common stock	6(5)		2,462,421	30		2,462,421	32
Capital surplus								
3200	Capital surplus	6(6)		4,198,013	51		4,237,390	56
Retained earnings								
3320	Special reserve			8,361	-		8,361	-
3350	Unappropriated retained earnings	6(7)						
	(accumulated deficit)			89,848	1	(	281,965)	(4)
Other equity interest								
3400	Other equity interest			299,956	4		278,098	4
3XXX	Total equity			7,058,599	86		6,704,305	88
	Significant contingent liabilities and	9						
	unrecognised contract commitments							
	Significant events after the balance	11						
	sheet date							
3X2X	Total liabilities and equity		\$	8,229,229	100	\$	7,624,216	100

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share)

Items		Notes	Year ended December 31			
			2020		2019	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(1)	\$ 102,367	100	\$ -	-
5000	Operating costs	6(1)	-	-	(281,228)	-
5900	Net operating margin		102,367	100	(281,228)	-
	Operating expenses	6(9)				
6200	General and administrative expenses		(24,917)	(24)	(13,130)	-
6000	Total operating expenses		(24,917)	(24)	(13,130)	-
6900	Operating profit (loss)		77,450	76	(294,358)	-
	Non-operating income and expenses					
7100	Interest income	7	1,536	1	1	-
7010	Other income	6(8)	2,015	2	92,458	-
7020	Other gains and losses		12,054	12	(14)	-
7050	Finance costs		(9,456)	(9)	(5,099)	-
7900	Profit (loss) before income tax		83,599	82	(207,012)	-
7950	Income tax expense	6(10)	-	-	-	-
8200	Profit (loss) for the year		<u>\$ 83,599</u>	<u>82</u>	<u>(\$ 207,012)</u>	<u>-</u>

(Continued)

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share)

	Items	Notes	Year ended December 31			
			2020		2019	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		\$ 48,003	47	\$ 561,756	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		48,003	47	561,756	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(19,896)	(20)	(138,242)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(19,896)	(20)	(138,242)	-
8300	Other comprehensive income for the year		\$ 28,107	27	\$ 423,514	-
8500	Total comprehensive income for the year		\$ 111,706	109	\$ 216,502	-
	Profit (loss), attributable to:					
	Owners of the parent		\$ 83,599	-	(\$ 183,059)	-
	Former owner of business combination under common control		-	-	(17,953)	-
	Total		\$ 83,599	-	(\$ 207,012)	-
	Comprehensive income (loss), attributable to:					
	Owners of the parent		\$ 111,706	-	\$ 234,752	-
	Former owner of business combination under common control		-	-	(18,250)	-
	Total		\$ 111,706	-	\$ 216,502	-
	Earnings (loss) per share					
9710	Basic earnings (loss) per share from continuing operations		\$	0.34	(\$	0.77)
9720	Basic earnings (loss) per share from equity attributable to former owner of business combination under common control		-	-	(0.07)	
9750	Basic earnings per share		\$ 0.34		(\$ 0.84)	
9810	Diluted earnings (loss) per share from continuing operations		\$	0.34	(\$	0.77)
9820	Diluted earnings (loss) per share from equity attributable to former owner of business combination under common control		-	-	(0.07)	
9850	Diluted earnings per share		\$ 0.34		(\$ 0.84)	

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings				Other equity interest			
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Equity attributable to former owner of business combination under common control	
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations			Total
<u>Year 2019</u>									
	\$ 2,462,421	\$ 5,019,688	\$ -	\$ 8,361	(\$ 173,844)	(\$ 81,588)	(\$ 63,185)	(\$ 77,196)	\$ 7,094,657
	-	-	-	-	(189,059)	-	-	(17,953)	(207,012)
	-	-	-	-	940	(137,945)	560,816	(297)	423,514
	-	-	-	-	(188,119)	(137,945)	560,816	(18,250)	216,502
Capital surplus used to cover accumulated deficits	6(7)	(166,692)	-	-	166,692	-	-	-	-
Cash dividends paid from additional paid-in capital	6(6)	(615,606)	-	-	-	-	-	-	(615,606)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	-	-	(129)	-	-	-	(129)
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	8,881	8,881
Adjustments to reorganisation		-	-	-	(86,565)	-	-	86,565	-
Balance at December 31, 2019	\$ 2,462,421	\$ 4,237,390	\$ -	\$ 8,361	(\$ 281,965)	(\$ 219,533)	\$ 497,631	\$ -	\$ 6,704,305
<u>Year 2020</u>									
	\$ 2,462,421	\$ 4,237,390	\$ -	\$ 8,361	(\$ 281,965)	(\$ 219,533)	\$ 497,631	\$ -	\$ 6,704,305
Profit	-	-	-	-	83,599	-	-	-	83,599
Other comprehensive income (loss)	-	-	-	-	6,249	(19,896)	41,754	-	28,107
Total comprehensive income (loss)	-	-	-	-	89,848	(19,896)	41,754	-	111,706
Capital surplus used to cover accumulated deficits	6(7)	(281,965)	-	-	281,965	-	-	-	-
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		59,741	-	-	-	-	-	-	59,741
Changes in investees' capital increase not recognized by shareholding percentage		125,447	-	-	-	-	-	-	125,447
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed		57,400	-	-	-	-	-	-	57,400
Balance at December 31, 2020	\$ 2,462,421	\$ 4,198,013	\$ -	\$ 8,361	\$ 89,848	(\$ 239,429)	\$ 539,385	\$ -	\$ 7,058,599

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit (loss) before tax		\$ 83,599	(\$ 207,012)
Adjustments			
Adjustments to reconcile profit (loss)			
Share of profit (loss) of associates accounted for using the equity method	6(1)	(102,367)	281,228
Interest expense		9,456	-
Interest income		(1,536)	(1)
Gain on disposal of investments	6(10)	-	(92,235)
Changes in operating assets and liabilities			
Changes in operating liabilities			
Other payables		8,281	786
Prepayments		(89)	-
Other current liabilities		11	17
Cash outflow generated from operations		(2,645)	(17,217)
Dividend received		329,988	478,483
Interest paid		(9,830)	-
Interest received		1,536	1
Net cash flows from operating activities		<u>319,049</u>	<u>461,267</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in other receivables from related parties		(350,364)	-
Acquisition of investments accounted for under the equity method		(210,000)	(760,000)
Net cash flows used in investing activities		<u>(560,364)</u>	<u>(760,000)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		142,800	615,000
Increase in long-term borrowings		1,300,000	1,066,000
Decrease in long-term borrowings		(1,200,000)	(766,000)
Cash dividends paid		-	(615,606)
Net cash flows from financing activities		<u>242,800</u>	<u>299,394</u>
Net increase in cash and cash equivalents		1,485	661
Cash and cash equivalents at beginning of year		665	4
Cash and cash equivalents at end of year		<u>\$ 2,150</u>	<u>\$ 665</u>

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

FIT Holding Co., Ltd.
Earnings Distribution Table
Year 2020

Unit: NT\$

Item	Amount		Remarks
	Subtotal	Total	
Undistributed earnings at the beginning of the period		0	
Add: adjustment of retained earnings for 2020	6,249,356		
Adjusted undistributed earnings		6,249,356	
Add: net profit after tax of the year	83,599,049		
Less: legal reserve allocation	(8,984,841)		
Distributable earnings		80,863,564	
Distribution item:			
Cash dividend	(73,872,644)		NT\$0.3 per share
Undistributed earnings at the end of the period		6,990,920	

Note 1: For the Company's earnings distribution, the distributable earnings in 2020 will be allocated first.

Note 2: The dividend distribution is calculated based on 246,242,146 shares outstanding at the time of the resolution of the board meeting on March 26, 2021.

Note 3: According to the Articles of Association of the Company, the earnings will be distributed in cash, and the board meeting is authorized to decide by resolution.

Person in charge: T.C. Gou Manager: T.C. Gou Head of accounting: Kun-Huang Lin

FIT Holding Co., Ltd.

Comparison Table of Revised Articles of Method for Election of Directors

Article before revision	Article after revision	Reasons for revision
<p>Article 4: The election of directors of the Company shall be conducted in accordance with the procedure of the candidate nomination system as stipulated in Article 192-1 of the Company Act. <u>In order to review the director candidate's qualifications, academic background and work experience, and whether there are any circumstances listed in Article 30 of the Company Act, no other supporting qualification documents shall be added, and the results of the review shall be provided to shareholders for reference, so as to select suitable directors.</u></p> <p>If the number of directors is less than five due to dismissal for any reason, the Company shall make up for the vacancies in the by-election at the latest shareholders' meeting.</p> <p>However, if the number of director vacancies reaches one third of the number of seats as prescribed in the Articles of Association, the Company shall hold an extraordinary shareholders' meeting for a by-election within 60 days from the date of occurrence.</p> <p>If the number of independent directors is less than that specified in the proviso of paragraph 1, Article 14-2 of the Securities and Exchange Act <u>and the relevant provisions of the listing standards of the Taiwan Stock</u></p>	<p>Article 4: The election of directors of the Company shall be conducted in accordance with the procedure of the candidate nomination system as stipulated in Article 192-1 of the Company Act.</p> <p>If the number of directors is less than five due to dismissal for any reason, the Company shall make up for the vacancies in the by-election at the latest shareholders' meeting.</p> <p>However, if the number of director vacancies reaches one third of the number of seats as prescribed in the Articles of Association, the Company shall hold an extraordinary shareholders' meeting for a by-election within 60 days from the date of occurrence.</p> <p>If the number of independent directors is less than that specified in the proviso of paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held in the latest shareholders' meeting; when all the</p>	<p>based on the actual operation needs of the Company</p>

Article before revision	Article after revision	Reasons for revision
<p><u>Exchange</u>, a by-election shall be held in the latest shareholders' meeting; when all the independent directors are dismissed, an extraordinary shareholders' meeting shall be convened for a by-election within 60 days from the date of occurrence. The election of directors of the Company shall be conducted on the basis of the cumulative voting system. Each share has the same voting rights as the number of directors to be elected, and all the votes may be given to only one candidate or the votes may be distributed among several candidates.</p>	<p>independent directors are dismissed, an extraordinary shareholders' meeting shall be convened for a by-election within 60 days from the date of occurrence.</p> <p>The election of directors of the Company shall be conducted on the basis of the cumulative voting system. Each share has the same voting rights as the number of directors to be elected, and all the votes may be given to only one candidate or the votes may be distributed among several candidates.</p>	
<p>Article 5: <u>The board of directors</u> shall prepare the same number of ballots as the number of directors to be elected, fill in the number of their rights, and distribute them to the shareholders attending the shareholders' meeting. The name of the elector may be replaced with the attendance card number which is printed on the ballot. The voting rights won by independent directors and non-independent directors shall be respectively calculated according to the number of directors specified in the Articles of Association of the Company, and candidates who win a higher number of votes shall be elected. If more than two persons win the same number of rights and the prescribed number of seats is exceeded, a lot drawing shall be held for the candidates who win the same number of rights for a decision. The chairman shall draw the lot on behalf of the non-attending candidates.</p>	<p>Article 5: <u>The convener of the shareholders' meeting</u> shall prepare the same number of ballots as the number of directors to be elected, fill in the number of their rights, and distribute them to the shareholders attending the shareholders' meeting. The name of the elector may be replaced with the attendance card number which is printed on the ballot. The voting rights won by independent directors and non-independent directors shall be respectively calculated according to the number of directors specified in the Articles of Association of the Company, and candidates who win a higher number of votes shall be elected. If more than two persons win the same number of rights and the prescribed number of seats is exceeded, a lot drawing shall be held for the candidates who win the same number of rights for a decision. The chairman shall draw the lot on behalf of the non-attending</p>	<p>based on the actual operation needs of the Company</p>

Article before revision	Article after revision	Reasons for revision
	candidates.	
<p>Article 6:</p> <p>At the beginning of the election, the chairman shall appoint several scrutineers and vote counters with shareholder status to perform all relevant duties. The <u>board of directors</u> shall prepare the ballot box which shall be opened in public for checking before the voting.</p>	<p>Article 6:</p> <p>At the beginning of the election, the chairman shall appoint several scrutineers and vote counters with shareholder status to perform all relevant duties. The <u>convener of the shareholders' meeting</u> shall prepare the ballot box which shall be opened in public for checking before the voting.</p>	based on the actual operation needs of the Company
<p>Article 7:</p> <p><u>If the electee is a shareholder, the elector shall fill in the electee field on the ballot the account name and shareholder account number of the electee; if the electee is not a shareholder, the elector shall fill in the name and identity document number of the electee. However, when the electee is the government or a legal person shareholder, the name of the government or legal person, or the name of the government or legal person as well as its representative, shall be filled in the electee field on the ballot. If there are several representatives, the names of the representatives shall be respectively filled in.</u></p>	Article 7: <u>(deleted)</u>	based on the actual operation needs of the Company
<p>Article 8:</p> <p>The vote shall not be valid in any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The vote is not prepared by the board of directors. 2. The vote casted in the ballot box is blank. 3. The handwriting is illegible or altered. 4. If the electee <u>is a shareholder, the account name and the shareholder account number are inconsistent</u> 	<p>Article 8:</p> <p>The vote shall not be valid in any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The vote is not prepared by <u>the person with the convening right.</u> 2. The vote casted in the ballot box is blank. 3. The handwriting is illegible or altered. 4. The electee filled in <u>does not correspond to the person on the list of director candidates.</u> 	based on the actual operation needs of the Company

Article before revision	Article after revision	Reasons for revision
<p><u>with those in the register of shareholders; if the electee is not a shareholder, the name and the identity document number</u> are not consistent after verification.</p> <p>5. There are additional words filled in on the vote other than <u>the electee's account name (or name) or the shareholder's account number (or identity document number) for allocation of voting rights.</u></p> <p>6. <u>The name of the electee filled in is the same as another shareholder's, but the shareholder's account number or identity document number is not filled in for identification of the electee.</u></p> <p>7. <u>Two or more candidates are filled on the same ballot.</u></p>	<p>5. There are additional words filled in on the vote other than the allocated number of voting rights.</p>	
<p>Article 9: After voting, the votes shall be counted on the spot. The voting results including the list of directors elected and their voting rights won shall be announced by the chairman or the MC on the spot.</p>	<p>Article 9: After voting, the votes shall be counted on the spot. The voting results <u>including</u> the list of directors elected and their voting rights won, <u>as well as the candidates not elected and their voting rights won shall be announced by the chairman or the MC on the spot.</u></p>	<p>based on the actual operation needs of the Company</p>
<p>Established on June 19, 2018. The first revision was made on June 21, 2019.</p>	<p><u>Article 13: Period of implementation Established on June 19, 2018. The first revision was made on June 21, 2019. The second revision was made on June 22, 2021.</u></p>	<p>For addition of new articles, the history of revision shall be clearly listed.</p>

FIT Holding Co., Ltd.

Articles of Association

Appendix 1

Chapter I General Provisions

- Article 1: The Company is organized in accordance with the Company Act and is named FIT Holding Co., Ltd.
- Article 2: The businesses of the Company:
H201010 Investment.
- Article 3: The Company may provide endorsement guarantees due to business requirements with the approval of the board meeting, and the operations shall be handled in accordance with the Company's Procedures of Endorsements and Guarantees.
- Article 4: The Company has its head office established in New Taipei City, and may establish branches, offices or business offices at home and abroad upon the resolution of the board meeting when necessary. The Company may reinvest at home and abroad through a resolution of the board meeting; if the reinvestee is a limited liability shareholder of the Company, the total investment amount is not subject to the restriction of 40% of its paid-in share capital as in Article 13 of the Company Act.
- Article 5: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 6: The total authorized capital of the Company is NT\$3 billion, divided into 300 million shares, with the amount of NT\$10 per share. The board meeting is authorized to issue the shares in installments as required.
- Within the authorized capital amount in the preceding paragraph, NT\$300 million is reserved for the issuance of employee stock option certificates for a total of 30 million shares at NT\$10 per share, which may be issued in installments in accordance with the resolution of the board meeting.
- Article 7: The shares of the Company are all registered, which are signed or sealed by the director representing the Company and issued after being certified by the certifying bank for share issuance in accordance with the law.
- The printing of share certificates may be exempt for shares issued by the Company, but registration with a central securities depository institution is required.

Article 8: Unless otherwise provided by laws and regulations, the stock affairs of the Company shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 9: The transfer of ownership of shares shall be suspended within 60 days before the general shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the benchmark date on which the Company decides to distribute dividends or other benefits.

Chapter III Shareholders' Meeting

Article 10: The shareholders' meeting includes the general meeting and the extraordinary meeting. The general meeting shall be convened at least once a year by the board of directors according to law within six months after the end of each accounting year. The extraordinary meeting shall be convened according to law when necessary.

Article 11: The chairman of the board shall preside over the shareholders' meeting. When the chairman is unable to attend, the chairman shall designate a director to act as his proxy; if the chairman does not appoint a director as his proxy, the directors shall elect one among themselves as the proxy. If the shareholders' meeting is convened by someone other than a member of the board of directors who has the right to convene, the person shall act as the chairman. If there are two or more persons with the right to convene, one person shall be selected among them.

Article 12: If a shareholder is unable to attend the shareholders' meeting, he may appoint a proxy to attend on his behalf by signing the power of attorney printed by the Company and stating the scope of powers authorized to the proxy. Except as specified in Article 177 of the Company Act, the attendance of a shareholder's proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 13: Unless otherwise stipulated by laws and regulations, each shareholder of the Company has one voting right per share.

Article 14: On the resolution of the shareholders' meeting, unless otherwise provided by the Company Act, the shareholders' meeting shall be attended by shareholders representing more than half of the total number of shares issued, and the motion shall be approved by more than half of the voting rights of the shareholders present. The shareholders of the Company may also exercise their voting rights electronically.

Shareholders who exercise their voting rights electronically are deemed to be present in person, and related matters shall be handled in accordance with laws and regulations.

Article 15: The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting.

The production, distribution, recorded contents and retention period of the minutes shall comply with Article 183 of the Company Act.

The minutes shall contain the date and place of the meeting, the name of the chairman, the method of resolution, and the essentials and results of the proceedings. The minutes shall be kept permanently during the existence of the Company.

Chapter IV Directors and Audit Committee

Article 16: (deleted)

Article 17: The board of directors of the Company has five to nine seats of directors for a term of three years. The candidate nomination system is adopted, and the number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directors. The shareholders shall elect from the list of candidates, and the directors may be re-elected.

The election of directors shall be handled in accordance with Article 198 of the Company Act and related provisions.

Article 18: The board of directors is organized by directors; the chairman shall be elected in a board meeting attended by more than two-thirds of the directors and approved by more than half of the directors' present. If the chairman is on leave or unable to perform his duties for some reason, the chairman shall designate a director to act as his proxy. When the chairman does not appoint a proxy, the directors shall elect one among themselves as the proxy.

Article 19: Unless otherwise provided by the Company Act, the board meeting shall be convened by the chairman of the board and serve as the chairman at the same time; The venue of the board meeting shall be at the location of the Company or at a place suitable for the attendance of the directors and suitable for the board meeting, or the meeting may be held by video conferencing.

For the convening of the board meeting, the reasons shall be specified and the directors be notified seven days in advance. However, the meeting may be called at

any time in case of an emergency.

The notice of the convening of the board meeting mentioned in the preceding paragraph may be made in writing, by fax or by electronic means.

When a director is unable to attend the board meeting for some reason, he may issue a power of attorney to entrust another director to attend the meeting in accordance with Article 205 of the Company Act, but only one agent may be appointed. If the board meeting is held by videoconferencing, the directors who participate in the meeting by video shall be deemed to have attended the meeting in person.

Article 20: The functions and powers of the board of directors are as follows:

1. Review of business policies and medium and long-term development plans, and review and supervision of the implementation of the annual business plan.
2. Proposal of the budget and final accounts.
3. Formulation of the capital increase and reduction plan.
4. Proposal of earnings distribution or loss compensation.
5. Proposal of important external contracts.
6. Proposal of amendment to the Articles of Association.
7. Formulation of the Company's organization rules and important business rules.
8. Establishment and abolition of branches; drafting of reorganization or dissolution.
9. Appointment and dismissal of the president and vice president of the Company.
10. Convening of shareholders' meetings.
11. Proposal of purchase and disposal of the Company's important assets.
12. Formulation of the Company's external endorsements and guarantees and external investment plans.
13. Proposal of capital increase with dividends or reserves.
14. Functions and powers in accordance with Article 202 of the Company Act.

Article 21: The resolutions of the board meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to the directors within 20 days after the meeting. The minutes shall be taken in the order of the date, place, name of the chairman and resolution method, as well as the essentials of the proceedings and voting results. The minutes shall be kept permanently during the existence of the Company.

Article 22: When the term of office of a director has expired but a re-election cannot be held in time, the director's execution of duties shall be extended until the new director takes

office.

This company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act which is responsible for performing the functions and powers of supervisors as stipulated in the Company Act, the Securities and Exchange Act and other laws and regulations. The audit committee shall be composed of all independent directors with at least three members, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The term of office, exercise of powers and other matters to be observed of the audit committee shall be handled in accordance with the relevant laws and regulations. The board of directors shall also formulate the organizational rules of the audit committee in accordance with the relevant laws and regulations.

Article 23: The board meeting is authorized to determine the remuneration of all directors in accordance with the usual standards of the same industry. In addition, the Company may purchase liability insurance for directors, so as to reduce their risk of being sued by shareholders or other related parties due to performing their duties in accordance with the law.

Chapter V Managers

Article 24: The Company may have a president, a vice president, a chief executive, and several general managers and deputy general managers of business groups. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 25: At the end of each accounting year, the board of directors of the Company shall prepare (1) the business report, (2) financial statements, (3) proposals for earnings distribution or loss compensation, and have them submitted to the regular general shareholders' meeting for recognition in accordance with the law.

Article 26: If the Company makes any profit in the year (the so-called profit refers to the profit before tax deducting the distribution of employees' remuneration and directors' remuneration), it shall allocate no less than 6% as the employees' remuneration and no more than 3% as the directors' remuneration. However, if the Company still has a cumulative loss, it shall reserve the amount of compensation in advance.

The employees' remuneration referred to in the preceding paragraph may be paid in the form of shares or cash. The objects of payment include employees of controlling

or subordinate companies who meet certain conditions, and the board meeting is authorized to decide the conditions and distribution methods. The directors' remuneration shall be paid in cash only. The two items above shall be decided by the board meeting and reported to the shareholders' meeting.

Article 27: If there are any earnings in the annual final accounts of the Company, it shall first pay the tax and make up for the previous losses, and then allocate 10% of the balance as the legal reserve; however, the requirement does not apply when the accumulated legal reserve has reached the total capital of the Company. If there is still a balance of earnings in the current year, then the board meeting shall draw up a proposal on the distribution of earnings based on the balance together with the accumulated undistributed earnings in the previous year, and submit it to the shareholders' meeting for resolution.

If all or part of the dividend and bonus or legal reserve and capital reserve is to be paid in cash, the board meeting shall be authorized to make a resolution where the meeting is attended by more than two thirds of the directors and the consent is obtained from more than half of the directors' present, and the resolution shall be reported to the shareholders' meeting.

The Company's dividend policy is to distribute no more than 90% of the Company's distributable earnings to shareholders by way of dividend. Based on the future capital expenditure budget and capital demand, the cash dividend will not be less than 20% of the total dividend of the Company. When a company allocates its earnings, it shall, in addition to the legal reserve according to law, set aside a special reserve from the current year's after-tax earnings plus the previous period's undistributed earnings at the same deduction amount of the shareholders' equity in the current year (such as unrealized losses on financial products, cumulative conversion adjustments, etc.) in accordance with paragraph 1, Article 41 of the Securities and Exchange Act. The legal reserve shall not be distributed. When there is a reversal in the deduction amount of the shareholders' equity, the earnings may be distributed in respect of the reversal.

Chapter VII Supplementary Provisions

Article 28: Matters not stipulated in the Articles of Association shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 29: The Articles of Association were established on June 19, 2018.

The first revision was made on June 21, 2019.

FIT Holding Co., Ltd.
Rules of Procedure of Shareholders' Meetings

Appendix 2

1. The shareholders' meeting of the Company shall be conducted in accordance with these rules unless otherwise provided by laws and regulations.
2. The shareholder (or proxy) attending the meeting shall hand in the attendance card to replace sign-in. The number of share rights present shall be calculated according to the number of share rights on the above-mentioned attendance cards plus the number of share rights exercised by electronic means.
3. The attendance and voting at the shareholders' meeting shall be based on the number of shares.
4. The place of the shareholders' meeting shall be the place where the Company is located or where it is convenient for the shareholders to attend. The meeting time shall not be before 9 a.m. or after 3 p.m.
5. If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. When the chairman is on leave or unable to perform his duties for some reason, the vice chairman shall act as his proxy. If there is no vice chairman or when the vice chairman is also on leave or unable to perform his duties for some reason, the chairman shall appoint a managing director as the proxy; if there are no managing directors, the chairman shall appoint a director as the proxy. If the chairman does not appoint any proxy, the managing directors or the directors shall elect one among them to act as the proxy.
If the shareholders' meeting is convened by a convener other than a member of the board of directors, the convener shall be the chairman of the meeting.
6. The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders meeting as non-voting delegates.
Personnel handling the affairs of the shareholders' meeting shall wear identification cards or armbands.
7. The entire process of the shareholders' meeting shall be audio or video recorded. The recording shall be kept for at least one year.
8. The chairman shall call the meeting to order at the specified meeting time. However, when

the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponement is no more than two, and the total time no more than 1 hour. 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 paragraph 1, Article 175 of the Company Act.

Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may, in accordance with Article 174 of the Company Act, re-submit the tentative resolution to the meeting for voting.

9. If a shareholders' meeting is convened by the board of directors, the agenda of the meeting shall be set by the board of directors. The meeting shall be conducted according to the scheduled agenda which shall not be changed without the resolution of the shareholders' meeting.

If a shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda (including extemporary motions) set out in the two paragraphs above, the chairman shall not declare the meeting adjourned without a resolution.

If the chairman violates the rules of procedure and announces the meeting adjourned, with the consent of more than half of the voting rights of the shareholders present, another person may be elected to be the chairman to continue the meeting.

After the closing of the meeting, the shareholders shall not elect another chairman to continue the meeting at the original place or at another place.

10. Before speaking, an attending shareholder shall fill out a speech slip, specifying his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speech 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 speech 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 chairman and the shareholder that has the floor; the chairman shall stop any violation.

11. For the same proposal, each shareholder shall not speak more than twice without the consent of the chairman, and each speech shall not exceed five minutes. If the shareholder's speech violates the rules above or exceeds the scope of the agenda item, the chairman may terminate the speech.
12. When a legal person is entrusted to attend the shareholders' meeting, it may only appoint one representative to attend.

When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same motion.
13. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.
14. When the chairman is of the opinion that the motion and the amendment or extraordinary motion put forward by the shareholder has been discussed sufficiently for a vote, the chairman may announce the discussion closed and call for a vote.
15. Vote scrutinizing and counting personnel for the voting on a motion, if required, shall be appointed by the chairman, provided that all the scrutinizing personnel shall be shareholders of the Company. The results of voting shall be reported on the spot and recorded.
16. The chairman may announce a break during the meeting at his discretion.
17. Unless otherwise stipulated in the Company Act and the Articles of Association of the Company, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. If the chairman makes an inquiry to the shareholders present and there is no objection to the resolution, the resolution shall be deemed to be approved, and its effect shall be the same as the result of voting.
18. When there is an amendment or replacement to a proposal, the chairman shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected and no more voting shall be needed.
19. The chairman may command the picket (or security personnel) to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket (or security personnel) shall wear an armband or identification card with the word "picket".

20. Matters not specified in these Rules shall be handled in accordance with the Company Act, relevant laws and regulations and the Articles of Association of the Company.
21. These Rules shall come into force after being approved by the shareholders' meeting, and the same procedure shall apply when they are amended

FIT Holding Co., Ltd. Shareholdings of Directors

Appendix 3

I. Details of shares held by Directors

Position	Account name	Number of shares registered in the register of shareholders
Chairman	Foxlink International Investment Co., Ltd. representative: T.C. Gou	58,303,464
Director	Foxlink International Investment Co., Ltd. representative: Kun-Huang Lin	58,303,464
Director	Foxlink International Investment Co., Ltd. representative: Jeffery Cheng	58,303,464
Director	Fu Uei International Investment Co., Ltd Representative: Hwee Kian Lim	14,690,257
Director	Fu Uei International Investment Co., Ltd Representative: Semi Wang	14,690,257
Director	Fu Uei International Investment Co., Ltd Representative: Wilson Hu	14,690,257
Independent director	Ralph Chen	0
Independent director	Chen-Rong Chian	0
Independent director	Wei-Lin Wang	0

II. Minimum number of shares to be held by all directors and details of shares registered in the register of shareholders

Position	Number of shares registered in the register of shareholders	Minimum number of shares to be held
Director	72,993,721	12,000,000