

Stock Symbol: 6129



**普誠科技股份有限公司**  
**Princeton Technology Corp.**

## 2021 General Shareholders' Meeting Agenda

Date: June 16, 2021

Place: 1F, No.219-2, Section 3, Zhong Xing Road, Xindian Dist., New Taipei City  
(The Koos Hotel)

## Table of Contents

	<u>Page.</u>
1. MEETING AGENDA	1
2. REPORTED ITEMS	2
3. PROPOSED RESOLUTIONS	2
4. SPECIAL MOTIONS	3
Attachment	
Attachmetnt I. Business Report	4
Attachmetnt II. Audit Committee’s Review Report	6
Attachmetnt III. Independent Auditor’s Report and FY2020 Consolidated Financial Statements	7
Attachmetnt IV. FY2020 Statement of Deficit Compensation	16
Appendix	
Appendix I. Articles of Incorporation	17
Appendix II. Rules and Procedures of Shareholders Meeting	23
Appendix III. Shareholdings of All Directors	28
Appendix IV. Actions Taken in Response to Proposals Made by Shareholders	29

## 1. MEETING AGENDA

### Princeton Technology Corp. 2021 General Shareholders' Meeting

Time: 9:00AM, June 16, 2021

Place: 1F, No.219-2, Section 3, Zhong Xing Road, Xindian Dist., New Taipei City  
(The Koos Hotel)

1. Meeting called to order
2. Chairman's address
3. Reported items
  - (1) FY2020 business report
  - (2) Audit Committee's review report
  - (3) Remuneration to directors and employees
4. Proposed resolutions
  - (1) Submission and acknowledgement the Company's FY2020 financial statements and business report
  - (2) Submission and acknowledgement the Company's FY2020 deficit compensation
5. Special motions
6. Meeting adjourned.

## **2. REPORTED ITEMS**

### **ITEM 1 (Proposed by the board of directors)**

Proposal: FY2020 business report.

Explanation: The 2020 business report is attached hereto as Attachment I.

### **ITEM 2 (Proposed by the board of directors)**

Proposal: Audit Committee's review report.

Explanation: The Audit Committee's review report is attached hereto as Attachment II.

### **ITEM 3 (Proposed by the board of directors)**

Proposal: Remuneration to directors and employees.

Explanation: We propose not to distribute director compensation and employee bonus due to net profit after tax to be compensated the accumulated loss in FY2020.

Employees and directors remuneration is no difference from the estimated fee of recognized year.

## **3. PROPOSED RESOLUTIONS**

### **ITEM 1 (Proposed by the board of directors)**

Proposal: Submission and acknowledgement of the Company's FY2020 financial statements and business report.

Explanation:

- (1) The Company's FY2020 consolidated financial statements have been audited by independent auditors and approved by Audit Committee.
- (2) The 2020 Business Report, Independent Auditors' Audit Report, and the above-mentioned Financial Statements are attached hereto as Attachments I and III.
- (3) Request for acknowledgement of the above-mentioned financial statements and business report.

Resolution:

### **ITEM 2 (Proposed by the board of directors)**

Proposal: Submission and acknowledgement of the Company's FY2020 deficit compensation.

Explanation:

- (1) The net loss after tax for the Company for the year 2020 is NT\$76,799,688 and deficit yet to be compensated at the beginning of the year is NT\$249,929,982. The retained earnings adjustment for the year 2020 - the actuarial profit is NT\$93,774. The Company's deficit yet to be compensated at the end of FY2020 is NT\$326,635,896.

- (2) Due to compensate the accumulated loss of FY2020, the Company proposes not to distribute shareholders' dividend.
- (3) FY2020 deficit compensation statement is attached hereto as Attachment IV.
- (4) Request for acknowledgement.

Resolution:

#### **4. SPECIAL MOTIONS**

#### **5. MEETING ADJOURNED**

## To the Shareholders

### 1. Business Results from Last Year

1. FY2020 revenue of the Company was NT\$632,851 thousand. After-tax net loss was NT\$76,800 thousand. After-tax earning per share was negative NT\$0.42. Total asset at the end of 2020 was NT\$1,858,506 thousand. Total liability was NT\$143,976 thousand. Debt to equity ratio was 8%. Current ratio was 654%. The Company's financial condition remains solid.

FY2020 consolidated revenue of the Company was NT\$1,102,017 thousand. After-tax net loss was NT\$58,296 thousand. After-tax earning per share was negative NT\$0.42. Total asset on the consolidated basis at the end of 2020 was NT\$2,170,073 thousand. Total liability on the consolidated basis was NT\$345,316 thousand. Debt to equity ratio was 16%. Current ratio was 444%. The Company's consolidated financial condition remains solid.

2. Budget implementation status: The company has not announced financial forecasts for 2020, so it is not applicable.
3. Research and development status: Based on product line characteristics and regional R&D expertise, the company has established R&D resources in Taipei Headquarters, Hsinchu Office, Chengdu subsidiary Company and Chengdu Chiprail Microelectronics. Automotive displays and motor drive ICs are concentrated in Taipei head office and Hsinchu office; automotive lighting and high efficiency conversion ICs are concentrated in Chengdu subsidiary Company and Chengdu Chiprail Microelectronics. In addition, in order to strengthen the technical support of motor drive ICs to end customers, Software and hardware system development resources were allocated to Chengdu subsidiary Company to strengthen the sales of motor drive ICs.

### 2. Business Goals for the Current Year

1. Continue to develop four major products for automotive panel displays / vehicle lighting / motor drives / high energy efficiency power conversion. Continue to strive for chip quotas, and focus on diversified packaging and testing suppliers to increase output, and expand the application market of products.
2. Expected sales volume: The company has not announced financial forecasts for 2021, so it is not applicable.
3. Important production and marketing policies:
  - I. Increase the selling price to properly reflect the increase in wafer and processing costs.
  - II. Development and sales promotion for VIP customers in Japanese and Chinese markets.
  - III. Strengthen the promotion of power tools, hand-held vacuum cleaners, and automotive head/tail lights in the application of China market

### 3. Strategy for the Future

PTC will continue to develop products for automotive displays / automotive lighting ICs / various motor drive ICs / power conversion ICs. The successful development of the above four product lines will be applied to new development areas, such as automotive lights, HUD, POS machines, printers, white goods and security industries. At the same time, we continue to improve FAE technical support customers and provide complete solutions and services to strengthen IC sales energy and customer relationships. In addition, in view of the shortage of FAB chip supply, the company will invest part of its R&D resources to develop dual FAB

sources to strengthen the stability of chip supply.

#### **4. Effects of External Competition, Regulatory Environment and Overall Business Environment**

With the widespread use of vaccines, the global economy is expected to emerge from the haze of the epidemic in 2021. The World Bank predicts that the global economy will grow 4% annually in 2021 after a 4.3% decline in 2020. However, there are still variables in the popularization and effectiveness of vaccines, the high-tech trade war between the United States and China, the high uncertainty of global economic and trade policies, and the high debts of governments in order to save the economy. These risks will affect the economy recovery once they rise or are realized and close observation will be required.

Saying goodbye to the economic downturn in 2020, the IMF estimates that Taiwan's economic growth rate this year will reach 4.7%. The main growth driver is Taiwan's semiconductor industry's leading market position, strong demand in the global market, and overall supply in short supply of chips, which drives Taiwan's related exports. Under the circumstances, the overall economic performance is better than expected. However, due to the continuous rise of raw materials and the New Taiwan dollar, Taiwan companies are mostly export-oriented and are in a relatively unfavorable situation, which will become a risk to the overall economy.

In terms of operation, in the face of more fierce competition in the external environment, PTC will continue to focus on new product research and development, market development and new customer expansion, and strengthen supplier cooperation, in order to continue to enhance the company's competitiveness.

We appreciate the support and encouragement of the shareholders over the years. Thank you.

Richard Chiang  
Chairman

Princeton Technology Corp.  
Auditing Committee's Report

2020 General Shareholders' Meeting

We have examined the 2020 financial statements of the Company, including balance sheet, income statement, statement of changes in stockholders' equity, and statement of cash flows prepared by the board of directors and audited and certified by Crowe Horwath(TW) CPAs are fairly and general accepted accounting principals. We hereby prepare this report in accordance with provisions specified in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act and submit it together with the report of the independent auditors for your review.

Independent Director

Wu Hsueh Min

Tsai Yi Chen

Ma Yu Feng

February 26, 2021

## **Independent Auditors' Report**

The Board of Directors and Stockholders  
Princeton Technology Corp.

### **Opinion**

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

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

#### Allowance for Inventory Valuation and Obsolescence Losses

The Company's inventories consist of wafers and integrated circuits. Due to the rapid technological changes and volatile market, the estimate of the realizable value of inventories and the identification of slow-moving inventories require significant management judgment. We believe that the allowance for inventory valuation and obsolescence losses is a Key Audit Matter item. Refer to Notes 5&11.

Our Key audit procedures performed in respect of the above included the following:

1. Assessed the adequacy of inventory valuation policy adopted by the management.
2. Obtained the valuation report of inventories prepared by the management ; Selected samples to examine whether inventories are stated at the lower of cost or net realizable value and assessed the reasonableness of the management's assumption.
3. Obtained 、 tested and inspected the inventory aging report prepared by the management ; Observed physical inventory-taking to evaluate whether the allowance of inventories obsolescence losses was appropriate.

### **Other Matter**

As shown in the accompanying consolidated financial statements, the Company had long-term investment in Microlink Communications Inc. accounted for under equity method based on financial

statements as of December 31, 2020 and 2019, which were audited by the other auditor. Our audit, insofar as it related to the investment accounted for under the equity method balances both to NT\$0 as of December 31, 2020 and 2019, the related share of the investment loss from the associates and joint ventures both amounted to NT\$0 for the years ended December 31, 2020 and 2019, is based solely on the report of the other independent accountant.

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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Crowe (TW) CPAs

February 26, 2021

#### Notice to Readers

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

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

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousand New Taiwan Dollars)

Assets	Note	December 31,2020		December 31,2019	
		Amount	%	Amount	%
<b>Current assets</b>					
Cash and cash equivalents	Note 6	\$ 433,543	20	\$ 373,979	16
Financial assets at fair value through profit or loss	Note 7	263,478	12	383,801	17
Financial assets at amortized cost	Note 9	175,000	8	198,303	9
Notes receivable, net	Note 10	10,158	-	12,548	1
Accounts receivable, net	Note 10	254,651	12	180,250	8
Other receivables	Notes 10&29	2,991	-	4,854	-
Current tax assets	Note 27	-	-	346	-
Inventories, net	Note 11	221,331	10	280,886	12
Prepayments		24,819	2	32,268	1
Other financial assets	Notes 6&30	2,046	-	2,033	-
<b>Total current assets</b>		<b>1,388,017</b>	<b>64</b>	<b>1,469,268</b>	<b>64</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income	Note 8	23,367	2	27,536	1
Investments accounted for under the equity method	Notes 12&29	16,607	1	13,834	1
Property, plant and equipment	Notes 13&30	444,007	20	463,209	20
Right-of-use assets	Note 14	13,388	-	15,987	1
Investment property	Note 15	260,878	12	275,412	12
Intangible assets	Note 16	4,277	-	4,329	-
Deferred tax assets	Note 27	15,303	1	11,699	1
Other noncurrent assets	Note 17	4,229	-	5,166	-
<b>Total non-current assets</b>		<b>782,056</b>	<b>36</b>	<b>817,172</b>	<b>36</b>
<b>Total assets</b>		<b>\$ 2,170,073</b>	<b>100</b>	<b>\$ 2,286,440</b>	<b>100</b>
<b>Liabilities and stockholders' equity</b>					
	Note	December 31,2020		December 31,2019	
		Amount	%	Amount	%
<b>Current liabilities</b>					
Contract liability	Note 22	\$ 1,140	-	\$ 2,948	-
Accounts payable		109,443	5	78,298	3
Other payables	Note 18	69,149	3	60,136	3
Current tax liabilities	Note 27	1,682	-	-	-
Lease liabilities	Note 14	2,857	-	1,450	-
Long-term liabilities - current portion	Notes 19&30	127,935	6	59,860	3
Other current liabilities		352	-	320	-
<b>Total current liabilities</b>		<b>312,558</b>	<b>14</b>	<b>203,012</b>	<b>9</b>
<b>Non-current liabilities</b>					
Long-term loans payable	Notes 19&30	-	-	134,685	6
Lease liabilities	Note 14	1,450	-	-	-
Net defined benefit liability	Note 20	29,154	2	31,364	1
Refundable deposits		2,154	-	1,177	-
<b>Total non-current liabilities</b>		<b>32,758</b>	<b>2</b>	<b>167,226</b>	<b>7</b>
<b>Total liabilities</b>		<b>345,316</b>	<b>16</b>	<b>370,238</b>	<b>16</b>

(Continued)

Liabilities and stockholders' equity	Note	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Equity attributable to the parent company					
Capital	Note 21	1,809,437	84	1,809,437	79
Additional paid-in capital	Note 21	12,234	-	15,873	1
Retained earnings	Note 21				
Legal reserve		306,123	14	306,123	14
Accumulated losses		(326,636)	(15)	(249,930)	(11)
Total retained earnings		(20,513)	(1)	56,193	3
Other components of equity	Note 21	(86,628)	(4)	(62,539)	(3)
Total equity attributable to the parent		1,714,530	79	1,818,964	80
Non-controlling interests	Note 21	110,227	5	97,238	4
Total equity		1,824,757	84	1,916,202	84
Total liabilities and equity		\$ 2,170,073	100	\$ 2,286,440	100

The accompanying notes are integral part of consolidated financial statements.

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the years ended December 31, 2020 & 2019

(Expressed in Thousand New Taiwan Dollars, Except for Earnings Per Share Amounts)

	Note	2020		2019	
		Amount	%	Amount	%
Net sales	Notes 22&29	\$ 1,102,017	100	\$ 1,107,617	100
Cost of goods sold	Notes 11.20&23	(722,559)	(66)	(702,641)	(63)
Gross profit		379,458	34	404,976	37
Operating expenses	Notes 20.23&29				
Marketing		(40,395)	(3)	(54,113)	(5)
General and administrative		(135,217)	(12)	(138,815)	(13)
Research and development		(260,670)	(24)	(279,426)	(25)
Total operating expenses		(436,282)	(39)	(472,354)	(43)
Operating loss		(56,824)	(5)	(67,378)	(6)
Non-operating income and expenses					
Interest income	Note 24	3,284	-	8,443	1
Other gain and loss	Notes 25&29	16,995	1	42,224	4
Finance costs	Note 26	(4,589)	-	(9,469)	(1)
Share of loss of associates and joint ventures	Notes 4&12	(12,980)	(1)	(9,556)	(1)
Subtotal		2,710	-	31,642	3
Loss from continuing operations before income tax		(54,114)	(5)	(35,736)	(3)
Income tax (expense) benefit	Note 27	(4,182)	-	2,262	-
Net loss		(58,296)	(5)	(33,474)	(3)
Other comprehensive income and loss					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	Note 20	117	-	1,365	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	Note 21	(4,169)	-	8,143	1
Income tax expense related to items that will not be reclassified subsequently to profit or loss	Note 27	(23)	-	(273)	-
Subtotal		(4,075)	-	9,235	1
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	Note 21	(30,415)	(3)	(21,842)	(2)
Income tax benefit related to items that may be reclassified subsequently to profit or loss	Notes 21&27	4,980	-	3,888	-
Subtotal		(25,435)	(3)	(17,954)	(2)
Total other comprehensive income or (loss), net of tax		(29,510)	(3)	(8,719)	(1)
Total comprehensive loss		\$ (87,806)	(8)	\$ (42,193)	(4)
Net income (loss) attributable to:					
Stockholders of the parent		\$ (76,800)	(7)	\$ (36,265)	(3)
Non-controlling interests		18,504	2	2,791	-
		\$ (58,296)	(5)	\$ (33,474)	(3)
Comprehensive income (loss) attributable to:					
Stockholders of the parent		\$ (100,795)	(9)	\$ (42,583)	(4)
Non-controlling interests		12,989	1	390	-
		\$ (87,806)	(8)	\$ (42,193)	(4)
Earnings per share	Note 28				
Earnings per share-basic		\$ (0.42)		\$ (0.20)	

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries  
 Consolidated Statements of Changes in Equity  
 For the years ended December 31, 2020 & 2019  
 (Expressed in Thousand New Taiwan Dollars)

	Equity attributable to the parent											
	Additional paid-in capital					Retained earnings			Other components of equity			
	Common Stock	Premiums	Recognize changes in subsidiaries' ownership	Share of changes in equities of associates and joint venture	Employee stock options	Legal reserve	Unappropriated earnings (Accumulated losses)	Exchange differences arising on translation of foreign operations	Unrealized gain on investments in equity instruments at fair value through other comprehensive	Total equity attributable to the parent	Non-controlling interests	Total Equity
Balance as of January 1, 2019	\$ 1,809,437	\$ 1,102	\$ 39	\$ 10,140	\$ 4,592	\$ 306,123	\$ (214,757)	\$ (6,863)	\$ (48,266)	\$ 1,861,547	\$ 96,848	\$ 1,958,395
Net (loss) income for the year ended December 31, 2019	-	-	-	-	-	-	(36,265)	-	-	(36,265)	2,791	(33,474)
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	-	1,092	(15,553)	8,143	(6,318)	(2,401)	(8,719)
Total comprehensive (loss) income	-	-	-	-	-	-	(35,173)	(15,553)	8,143	(42,583)	390	(42,193)
Balance as of December 31, 2019	1,809,437	1,102	39	10,140	4,592	306,123	(249,930)	(22,416)	(40,123)	1,818,964	97,238	1,916,202
Adjustments to share of changes in equities of associates and joint venture	-	-	-	(3,639)	-	-	-	-	-	(3,639)	-	(3,639)
Net (loss) income for the year ended December 31, 2020	-	-	-	-	-	-	(76,800)	-	-	(76,800)	18,504	(58,296)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	94	(19,920)	4,169	(23,995)	(5,515)	(29,510)
Total comprehensive (loss) income	-	-	-	-	-	-	(76,706)	(19,920)	(4,169)	(100,795)	12,989	(87,806)
Balance as of December 31, 2020	\$ 1,809,437	\$ 1,102	\$ 39	\$ 6,501	\$ 4,592	\$ 306,123	\$ (326,636)	\$ (42,336)	\$ (44,292)	\$ 1,714,530	\$ 110,227	\$ 1,824,757

The accompanying notes are integral part of financial statements.

**English Translation of Consolidated Financial Statements Originally Issued in Chinese**

Princeton Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 & 2019

(Expressed in Thousand New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Net loss before tax	\$ (54,114)	\$ (35,736)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	52,831	57,405
Amortization expense	139	164
Expected credit gains	(1,134)	(235)
Net income of financial assets at fair value through profit or loss	(19,951)	(33,530)
Finance costs	4,589	9,469
Interest income	(3,284)	(8,443)
Dividend income	(1,022)	(1,992)
Share of loss of associates and joint ventures	12,980	9,556
Loss on disposal of property, plant and equipment, net	47	40
Loss on disposal of investments	124	-
Changes in operating assets and liabilities:		
Decrease (increase) in :		
Mandatorily classified FVTPL	140,947	(30,432)
Notes receivable	2,390	8,569
Accounts receivable	(73,267)	7,961
Other receivables	918	2,758
Inventories	59,555	16,632
Prepayments	7,449	4,483
Other financial asset	(13)	(30)
Increase (decrease) in :		
Contract liability	(1,808)	1,811
Accounts payable	31,145	(31,490)
Other payables	12,580	(18,913)
Other current liabilities	32	(43)
Net defined benefit liabilities	(2,093)	(4,313)
Cash provided by (used in) operations	169,040	(46,309)
Interest received	4,229	9,055
Interest paid	(7,963)	(9,643)
Income tax (paid) received	(835)	2,148
Net cash provided by (used in) operating activities	164,471	(44,749)

(Continued)

	<u>2020</u>	<u>2019</u>
Cash flows from investing activities:		
Proceeds from Financial assets at amortized cost	23,303	99,063
Acquisition of investments accounted for under the equity method	(19,392)	(4,581)
Acquisition of property, plant and equipment	(37,008)	(35,906)
Proceeds from disposal of property, plant and equipment	43	2
Acquisition of intangible assets	(17)	(26)
Acquisition of investment property	-	(11,196)
Decrease in other noncurrent assets	77	2,187
Dividend received	1,022	1,992
Net cash (used in) provided by investing activities	<u>(31,972)</u>	<u>51,535</u>
Cash flows from financing activities		
Decrease in long-term loans	(66,610)	(35,443)
Increase in guarantee deposits received	977	773
Repayment of the principal portion of lease liabilities	(2,856)	(2,857)
Increase in non-controlling interests	(5,514)	(2,401)
Net cash used in financing activities	<u>(74,003)</u>	<u>(39,928)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,068</u>	<u>4,016</u>
Net increase (decrease) in cash and cash equivalents	59,564	(37,158)
Cash and cash equivalents at beginning of period	<u>373,979</u>	<u>411,137</u>
Cash and cash equivalents at end of period	<u>\$ 433,543</u>	<u>\$ 373,979</u>

(Concluded)

The accompanying notes are integral part of consolidated financial statements.

## Princeton Technology Corp.

## FY2020 Statement of Deficit Compensation

Jan. 1 ~ Dec. 31, 2020

Item	Unit: NT\$ Amount
Deficit yet to be compensated – beginning of year	(249,929,982)
The retained earnings adjustment for the year 2020 - the actuarial profit	93,774
Net loss of 2020	(76,799,688)
Deficit yet to be compensated at the end of 2020	(326,635,896)

# Articles of Incorporation Princeton Technology Corp.

## Chapter 1 - General

Article 1: The Company is established in conformity with the Company Act and named Princeton Technology Corporation.

Article 2: The Company engages in the following businesses:

- (1) Manufacture and sale of electronic instruments and parts and components (except for controlled devices, medical instruments, and measuring instruments).
- (2) Design and plan of computer application systems.
- (3) Manufacture and sale of computer, computer peripherals and parts and components.
- (4) Design, manufacture and install of industrial automation systems.
- (5) Design and manufacture of integrated circuits.
- (6) Consult for the latest technologies for the aforementioned businesses.
- (7) Import and export related to the aforementioned businesses.
- (8) Operation and investment of aforementioned businesses.

Article 2-1: Where the Company invests in another company as a shareholder with limited liability, the restriction that such investment may not exceed 40% of paid-in capital shall not apply.

Article 2-2: The Company may make endorsement or issue guarantee for business needs. Related operations shall follow the Company's Procedure for Endorsement and Guarantee Operations.

Article 3: The Company has its principal office in New Taipei City, Taiwan, and if deemed necessary, may set up domestic and foreign branches or offices in accordance with the resolution adopted by the board of directors.

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

## Chapter 2 - Shares

Article 5: The authorized capital of the Company shall be NT\$2,500,000,000, divided into 250,000,000 shares with a par value of NT\$10 each. The board of directors is authorized to issue the aforesaid shares in several tranches.

Of the aforesaid capital stock, NT\$345,000,000 is reserved for stock options of employees with the issue of 34,500,000 shares with a par value of NT\$10 each in the form of stock options and issued in several tranches in accordance with the resolution adopted by the board of directors.

In the case of stock buy-back as permitted by law, the board of directors is authorized

to make such decision according to rules and regulations.

Any decision to transfer shares to employees lower the actual average buyback price or issue employee stock options at below-the-market prices shall be approved by shareholders in a shareholders' meeting attended by shareholders holding and representing more than one-half of all issued and outstanding shares and at which meeting more than two thirds of the votes held by shareholders present cast in favor of such decision.

- Article 6: The share and bond certificates of the Company shall be issued as registered shares. The share and bond certificates shall be signed or sealed by at least three directors, serially numbered, and duly authenticated by the competent authority or as required by law before issued. Pursuant to the Company Act, when the Company issues new shares or bonds, the total new shares or bonds can be printed on one single certificate or issued in dematerialized form. However the Company shall request the securities central depository institution for custody or registration of the certificates issued.
- Article 7: Transfer of shares shall be suspended within sixty (60) days before any general shareholders' meeting, within thirty (30) days before any special shareholders' meeting, and within five days before the base date on which dividends, bonuses or other interest are scheduled to be paid by the Company.

### **Chapter 3 - Shareholders' Meeting**

- Article 8: The shareholders' meetings of the Company shall be classified as either general meetings or special meetings. General meetings shall be called by the board of directors according to law once a year within six months after the end of the fiscal year. Special meetings shall be called as necessary in accordance with the law.
- Article 9: In case a shareholder is unable to attend a shareholders' meeting, he/she may appoint someone to attend the meeting on his/her behalf with a written proxy prepared by the Company with his/her signature or seal and stating therein the scope of authorization with reference to the subjects to be discussed at the meeting. The appointment of proxy to attend a shareholders' meeting shall follow the Rules for Attending Shareholders' Meeting of a Public Company by Proxy promulgated by the competent authority except Article 177 of the Company Act.
- Article 10: Shareholders of the Company shall be entitled with one vote for each share of capital stock held, except for situations of no voting right set out in the Company Act. With the exceptions to trust enterprises or transfer agents approved by the securities authority, the votes of any shareholder represented by a proxy shall not exceed 3% of the total shares issued and outstanding of the Company; the votes of shares exceeding the aforesaid limit shall not be counted.
- Article 11: Except as otherwise provided by Company Act or relevant regulations, no resolution shall be adopted at a shareholders' meeting unless it is attended by shareholders holding and representing over one-half of all issued and outstanding shares and at which meeting over one-half of the votes held by shareholders present cast in favor of such resolution.

### **Chapter 4 - Directors and Supervisors**

- Article 12: The Company shall have seven to eleven directors and the actual quota of their seats

of each session elected by the shareholders' meeting was authorized to be decided by the board meeting. The nomination system is selected by the shareholders' meeting on the list of directors' candidates. The term of office of directors shall be three years; re-election shall be permissible.

After the Company's shares are issued to the public, the percentage of shareholdings of all the directors selected shall follow the regulation of the competent authority in charge of securities affairs. When a shareholder elects a director, each share has the same right of election as the number of directors to be elected, and may elect one person or a number of electors, and the more votes of the votes shall be elected

In conformity with Article 183 of Security and Exchange Act, among the previous said directors quota, the independent directors shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The candidates nomination system is adopted and the shareholders shall elect from among the nominees listed in the roster of independent director candidates. Their professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall follow the regulation of the competent authority in charge of securities affairs.

Article 13: According to Article 14-4 of Security and Exchange Act, the Company shall establish a Audit Committee which shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The Audit Committee shall in charge of executing the power ruled by Company Act, Security and Exchange Act and other related regulations.

Article 14: The following relationships may not exist among more than half of the Company's directors:

1. a spousal relationship.
2. a familial relationship within the second degree of kinship.

Article 15: The board of directors shall be organized by directors, among them the Chairman of the Board shall be elected by more than half of directors present at a meeting attended by more than two thirds of directors. The Vice Chairman of the Board shall be elected in the same manner by and among the directors. The Chairman of the Board shall internally be the Chairman of the meetings of shareholders and meetings of the board of directors and externally represent the Company. The board of directors' meetings may be held by video conference. Directors who attend meetings by video conference are deemed as attend the meetings in person.

Article 16: Directors should attend the board of directors' meetings in person. In case a director is unable to attend a board of directors' meeting, he/she may submit a written proxy stating the scope of authorization for the proxy to present on his/her behalf.

If the chairman of the board of directors is on leave or unable to perform his/her duties, the vice chairman shall act on his/her behalf. If both the chairman and the vice chairman are on leave or unable to perform their duties, the chairman shall designate a director to act on his/her behalf.

Article 17: Remunerations for directors of the Company shall be authorized for approval of the board of directors and at the normal levels adopted by other firms of the same industry no matter the Company has profit or not.

The Company shall authorize the chairman of the board to buy duty security insurance for all the directors to secure their benefit.

Article 18: The authority and responsibility of the board of directors are as follows:

1. Approval of operational policy and medium- and long-term development plans.
2. Approval and oversight of execution of annual business plans.
3. Approval of annual budget and examination of the final settlement of account.
4. Examination of capital increase/decrease plans.
5. Examination of earnings distribution or deficit makeup plans.
6. Approval of important contracts.
7. Examination of Articles of Incorporation or amendments thereof.
8. Approval of organization bylaws and important business rules and systems.
9. Approval of establishment, reorganization or removal of branch offices.
10. Approval of major capital expenditure plans.
11. Appointment and discharge of president and vice presidents.
12. Execution of resolutions adopted at shareholders' meeting.
13. Approval of items proposed by the president.
14. Approval of calling shareholders' and board of directors' meetings and deciding business report items thereof.
15. Handling of other items in accordance with the law.

Article 19: In calling a meeting of the board of directors, a notice setting forth therein the meeting date, venue, and subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice set forth in the preceding Paragraph may be effected by means of writing, facsimile, electronic transmission.

Article 20: The Company's operating policies and other important matters shall be decided and approved by the board of directors. The board of directors may also set up governance committee, audit committee and other functional committees and approve the authorities and rules of respective committees.

## **Chapter 5 - Managers**

Article 21: The Company shall have one president and several vice presidents. All other matters concerning their appointment, removal and payment shall be handled in accordance with Article 29 of Company Act.

## **Chapter 6 - Accounting**

Article 22: The company's fiscal year is from January 1<sup>st</sup> to December 31<sup>st</sup> each year.

At the close of each fiscal year, the board of directors shall prepare the following statements and records and present to the general meeting of shareholders for approval.

1. the business report;
2. the financial statements; and

3. the surplus earning distribution or loss off-setting proposals.

Article 23: The company's annual profit, if any, should be set aside 5% to 20% for employees remunerated by the board resolution to grant stock or cash distribution, which were issued contain subordinate employees meet certain conditions of. The company allocated profit by resolution of the Board to set aside no more than 1.5% for the remuneration of directors. The proposal of employee remuneration and compensation of directors assigned should be reported to the shareholders' meeting. While there are accumulated losses of the company, it should be reserved in advance to make up the amount, then allocated to employee remuneration and compensation of directors according to the proportion of pre-term charges.

Article 24: After the final settlement of account each year, the Company shall allocate its surplus earnings, if any, to pay taxes according to the law. After the make up accumulated losses, the Company should allocate 10% of statutory surplus reserve until the statutory surplus reserve has reached the company paid-in capital. then make provisions set aside by law or rotary special reserve. If there are balances, the board drafted a proposal for distribution of profits with the unallocated surplus accumulated and draw proposal of dividend allocation to the shareholder meeting. The company's dividend policy is in line with the current and future development plans, taking into consideration the investment environment, capital requirements and competition at home and abroad, and taking into account the interests of shareholders. Earnings available for distribution each year set aside not less than 50% of the dividend distribution to shareholders dividend. The allocation of shareholder dividends, to whom cash or in shares, cash dividend will be not less than 50% of the total dividend.

## **Chapter 7 - Supplemental Provisions**

Article 25: The organization bylaws of the Company shall be provided separately.

Article 26: For items not provided in the rules, Articles of Incorporation, the Company Act and other relevant laws and regulations shall govern.

Article 27: These Article of Incorporation were drawn up on April 29, 1986 and underwent the

First amendment on December 22, 1986;

Second amendment on July 24, 1987;

Third amendment on October 6, 1987;

Fourth amendment on December 31, 1987;

Fifth amendment on June 25, 1988;

Sixth amendment on July 16, 1988;

Seventh amendment on May 21, 1990;

Eighth amendment on December 8, 1990;

Ninth amendment on June 10, 1991;

Tenth amendment on September 8, 1998;

Eleventh amendment on June 9, 2000;

Twelfth amendment on June 9, 2000;

Thirteenth amendment on November 3, 2000;

Fourteenth amendment on July 4, 2001;

Fifteenth amendment on May 17, 2002;

Sixteenth amendment on May 17, 2002;

Seventeenth amendment on June 6, 2003;

Eighteenth amendment on June 1, 2004;

Nineteenth amendment on June 1, 2004;

Twentieth amendment on June 12, 2006;  
Twenty-first amendment on June 13, 2007;  
Twenty-second amendment on June 13, 2008;  
Twenty-third amendment on June 17, 2010;  
Twenty-fourth amendment on June 10, 2011  
Twenty-fifth amendment on June 18, 2012  
Twenty-sixth amendment on June 8, 2016.  
and  
Twenty-seventh amendment on June 14, 2017.

## Rules and Procedures of Shareholders Meeting

### Princeton Technology Corp.

- Article 1: The shareholders' meetings of Princeton Technology Corp. (hereinafter referred to as "the Company") shall be implemented in accordance with the provisions of these Rules, unless otherwise required by law.
- Article 2: A shareholder whose holding shares in the Company equivalent to 1% or more of the total shares issued by the Company may present a proposal to the company in writing to be submitted to a regular shareholders' meeting. Any eligible shareholder aforesaid is limited to a maximum of one proposal per shareholders' meeting. In the event that the provisions of Paragraph 4, Article 172-1 of Company Act apply to a proposal presented by a shareholder, the Board of Directors may decide not to table that proposal for the shareholders' meeting.
- When a shareholders' meeting is to be held, the Company shall make a public announcement prior to the last day on which transfer of title may be performed, notifying shareholders that proposals may be submitted for tabling and specifying the address to which proposals should be submitted and the deadline for submission. The period for proposal to be submitted shall be not less than 10 days. Shareholders' proposals may not exceed 300 Chinese characters in length; if over, it will not be tabled for discussion at the shareholders' meeting. A shareholder who has submitted a proposal must either attend the shareholders' meeting in person to participate in the discussion of the proposal, or else appoint a proxy to attend on his/her behalf. The Company shall notify those shareholders who have submitted proposals whether their proposal will be tabled for discussion at the shareholders' meeting or not prior to the date of the convening notice of shareholders' meeting. Those proposals in accordance with the rules aforesaid shall be listed on the shareholders' meeting notice. While a shareholder's proposal is not tabled for discussion, a note should be appended to the Shareholders' meeting Handbook explaining why the proposal was not tabled for discussion.
- Article 3: At each shareholders' meeting, a shareholder may use the proxy forms printed and issued by the Company to appoint a proxy to attend the shareholders' meeting on his/her behalf, and to specify the scope within which the proxy is entitled to act for. Each shareholder may submit no more than one proxy form, and may appoint no more than one proxy. In the event that two or more proxy forms are received from the same shareholder, the proxy form that is received first will be accepted (except only that a subsequent proxy form specifies the previous proxy should be cancelled). If, after the Company received a proxy form, the submitting shareholder subsequently would change his/her mind to attend the shareholders' meeting in person, he/she had to notify the Company in writing of his/her desire to have the proxy form cancelled at least two days prior to the date on which the shareholders' meeting is to be held. If the shareholder failed to notify the Company in writing within this deadline, the proxy should be permitted to vote on his/her behalf.
- Article 4: Shareholders and proxies attending the shareholders' meeting must sign in on the guest book in person prepared on the receipt desk, or instead hand in their signing-in cards issued by the Company. The number of votes present at the shareholders' meeting shall be calculated according to the signatures of the guest book and or the signing-in cards.

- Article 5: The basis for calculation of attendance and voting at the shareholders' meeting shall be the number of votes present.
- Article 6: The location at which the Company's shareholders' meeting is held shall be either the county or city in which the Company's headquarters is located, or another location that is convenient for shareholders to reach and which is suitable for the holding of a shareholders' meeting. The shareholders' meeting may not begin earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 7: If a shareholders' meeting is convened by the board of directors, the chairman of the board shall serve as the chair of the shareholders' meeting. In the event that the chairman has taken a leave or is otherwise unable to perform his/her duties, the vice chairman of the board of director will act for him/her as the chair of the shareholders' meeting. If there is no vice chairman elected, or if the vice chairman has taken leave or is otherwise unable to perform his/her duties, the chairman shall appoint one of the standing directors to act for him/her. If there is no standing directors elected, the chairman shall appoint one of the directors to act for him/her. If the chairman fails to appoint someone eligible to act for him/her as the chair of the shareholders' meeting, the standing directors or directors shall be obliged to elect one of their members to act for.
- If a shareholders' meeting is convened by anyone other than the board of directors, the convening party shall serve as the chair of the shareholders' meeting.
- Article 8: The Company may instruct the Company's attorneys, accountants or other relevant persons to attend a shareholders' meeting. The ushers responsible for arranging and implementing the shareholders' meeting shall wear badges or armbands to identify themselves.
- Article 9: The Company shall record the entire course of the shareholders' meeting on audio tapes or video tapes. These records must be preserved for a period of at least one year after the meeting; if there is a lawsuit against the Company in accordance with the provisions of Article 189 of Company Act, the records must be preserved until such time as the legal dispute has been settled.
- Article 10: When the shareholders' meeting was scheduled to begin according to the meeting agenda, the chair shall immediately announce that the meeting has begun. If, at this time, shareholders and proxies representing as votes over half of the total shares issued and outstanding by the Company are not yet present at the meeting, the chair may announce a postponement. The commencement of the meeting may be postponed a maximum of twice; each postponement may not exceed one hour. If, following two postponements, the total votes present at the meeting are still less than one-third of the total shares issued by the Company, the chair shall announce that the meeting to be cancelled.
- If, following two postponements, the total votes present at the meeting are still less than half, yet over one-third, of the total shares issued by the Company, then provisional resolutions may be made in accordance with Paragraph 1 of Article 175 of Company Act. All shareholders must be notified of these provisional resolutions and a new shareholders' meeting must then be convened within one month. If, while the meeting aforesaid is still in progress, shareholders and proxies representing as votes increase to more than half of the total shares issued by the Company, then the chair may ask the shareholders to vote again on those approved provisional resolutions, in accordance with the Article 174 of Company Act.
- Article 11: When the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board. The meeting should proceed according to the agenda; no alterations may be made to the agenda except by a resolution adopted by the

shareholders at the shareholders' meeting.

While the shareholders' meeting is convened by anyone other than the board of directors, the chair is obliged to follow the provisions aforesaid.

The chair may not announce to close the meeting until all items on the agenda (including extraordinary motions) have been completed, unless the shareholders' meeting has made a resolution to this effect. After the meeting ended, the shareholders may not appoint another chair to continue the meeting at the same venue or others. However, if the chair announces the end of the meeting in violation of these Rules for the Conduct of Shareholders' Meetings, a new chair may be appointed by a majority votes present at the meeting, and the meeting may then continue.

Article 12: Before a shareholder (or his/her proxy) may speak at a shareholders' meeting, he/she must fill out a speaking request slip stating a broad outline of what they wish to say, their shareholder number (or attendance badge number) and shareholder name. The chair will decide in which order the shareholder will be allowed to speak.

If a shareholder (or his/her proxy) fills out a speaking request slip but does not actually speak at the meeting, he/she will be deemed not to have spoken. If the content of the shareholder's speech does not conform to those on the speaking request form, the content of the actual address shall be govern. When a shareholder (or his/her proxy) is speaking, other shareholders may not interrupt without the agreement of the chair, otherwise, should be ceased by the chair.

Article 13: No shareholder (or his/her proxy) may speak on the same proposal more than twice without the agreement of the chair. Individual speeches may not exceed five minutes in length. If a shareholder violates this provision, or if the content of the shareholder's speech exceeds the scope of the proposal, the chair may cease his/her speaking.

Article 14: Shareholders that are government agencies or corporate may assign more than one representative to attend a shareholders' meeting. However, while a corporate is authorized to attend the meeting as a proxy, the corporate may assign only one representative to attend the meeting. While a corporate assign more than one representative to attend a shareholders' meeting, only one representative may speak on the same proposal.

Article 15: After a shareholder finish his/her speech, the chair may answer for it in person, or instruct another relevant person to reply to it.

Article 16: If the chair feels that a proposal has reached to a degree of resolution, he/she may announce that the discussion of the proposal has ended and put it to a vote.

Article 17: The persons responsible for supervising and counting the votes shall be appointed by the chair; however, the persons responsible for supervising the voting must be shareholders. The counting of the votes shall be performed in public in the shareholders' meeting venue; the results of the voting must be announced during the meeting and kept as record.

Article 18: The chair may announce a break at suitable points during the shareholders' meeting. In the event of disruption by force majeure, the chair may call a temporary halt to the meeting or announce a time at which the meeting will resume continually depending on the circumstances. The meeting may resume continually at another location according to the resolution adopted by the shareholders' meeting.

In accordance with the Article 182 of Company Act, the shareholders' meeting may pass a resolution to postpone the meeting to another date or to continue the meeting within five days of the original date.

Article 19: A shareholders' meeting's resolution shall be based on the represent vote of the shares.

Shares held by shareholders who do not have voting rights shall not be included when calculating the total number of shares issued and outstanding by the Company. In the event that a shareholder is an interested party with respect to a given proposal, consequently the shareholder's interest may conflict with those of the Company, the shareholder shall be prohibited from voting for himself or being appointed as a proxy to vote for others on that proposal.

The votes of shareholders aforesaid, who are not eligible to vote on a given proposal shall not be included when calculating the number of votes present at the meeting.

With the exception of investment and trust companies, or transfer agents that are registered with the regulatory authorities, while a single individual is appointed as a proxy by two or more shareholders, the total number of votes for which that individual serves as proxy may not exceed 3% of the total shares issued by the Company; any excess votes will not be counted when voting on proposals.

Article 20: Shareholders are obliged to have the right of one vote for each share that they hold when voting on proposals. This provision shall not be applied to those who are restricted or in accordance with Paragraph 3 of Article 157 and Paragraph 2 of Article 179 of Company Act without any voting right.

Article 21: A resolution of a proposal shall be deemed to be passed on condition that over half of the votes present at the shareholders' meeting (whether represented by the shareholders themselves or by proxies) cast in favor, except where Company Act or the Company's Articles of Incorporation contain a provision to the contrary. When taking a vote on a proposal, the proposal is deemed to be passed if none of the attending shareholder expresses dissent upon the inquiry of the chairman. A resolution so adopted has the same validity as a resolution being approved by vote.

Article 22: If a revised or alternative proposal is put forward for a given proposal, the chair shall combine them as a serial and decide the order on which the revised or alternative proposal and the original proposal shall be voted. When one of the serial proposals is passed, the other(s) shall be deemed to be rejected and they need not to put to a vote.

Article 23: The election of directors and/or supervisors by the shareholders' meeting shall be handled in accordance with the Company's Rules for Election of Directors and Supervisors. The election results must be announced after the election at the shareholders' meeting.

After the election of directors and/or supervisors has been performed, the person responsible for supervising the voting shall seal up the voting slips, affix their signatures, and place the voting slips in safekeeping. The voting slips must be preserved for a period of at least one year after the meeting; if there is a lawsuit against the Company in accordance with the provisions of Article 189 of Company Act, the voting slips must be preserved until such time as the legal dispute has been settled.

Article 24: Minutes shall be recorded of the resolutions discussed at the shareholders' meeting and conducted in accordance with Company Act.

The minutes of the shareholders' meeting must contain the vote cast method and the its results faithfully and accurately. The minutes must be preserved on a permanent basis.

Article 25: The chair of the shareholders' meeting may instruct pickets and/or security personnel to maintain order during the meeting. When assisting in the maintenance of order during the shareholders' meeting, the pickets and/or security personnel must wear the badges written as PICKET.

Article 26: These Rules shall come into effect after being approved by the board of directors and by the shareholders' meeting, as shall any revisions hereto.

Article 27: These rules were drawn up on June 24, 1989 and underwent the

First amendment on July 4, 2001.

Second amendment on May 17, 2002

Third amendment on June 12, 2006 and

Fourth amendment on June 18, 2012

## Shareholdings of All Directors Princeton Technology Corp.

Title	Name	Shares held when elected		Shares held currently	
		No. of shares	Percentage	No. of shares	Percentage
Chairman	Chiang Chang-An	11,557,256	6.39%	11,557,256	6.39%
Director	Hsin Hsin Co., Ltd. Representative: Chen Sheng-Chieh	6,895,197	3.81%	6,895,197	3.81%
Director	Hsin Hsin Co., Ltd. Representative: Hsiao Wu-Hsing				
Director	National Chiao Tung University Representative: Chen Wei-Kuo	1,225	0.00%	1,225	0.00%
Independent Director	Ma Yu-Feng	0	0.00%	0	0.00%
Independent Director	Wu Hsueh-Min	0	0.00%	0	0.00%
Independent Director	Tsai Yi-Chen	0	0.00%	0	0.00%
Total shares and percentage held by all directors				18,453,678	10.20%

### Explanation:

1. The cutoff day for calculating the shareholding of directors is April 18, 2021, the record date for suspension of title transfer registration for the purpose of 2021 general shareholders' meeting.
2. The Company's paid-in capital is NT\$1,809,436,750 with 180,943,675 issued and outstanding.
3. Pursuant to Article 26 of the Securities Exchange Act and relevant regulations, the collective minimum number of shares required of directors is 10,856,620 shares.
4. The shares held by individual and all directors of the Company as of the record date for suspension of title transfer registration for the purpose of 2021 general shareholders' meeting are presented in the table above and have met the requirements set forth in Article 26 of the Securities Exchange Act.
5. The shares held by independent directors are excluded from the count of shares held by all directors.
6. There is no supervisors' share record available because of the Auditing Committee set on June 13, 2008.

## Actions Taken in Response to Proposals Made by Shareholders

Explanation:

1. Pursuant to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company one single proposal for discussion at a general shareholders' meeting, provided that only one item shall be allowed in each proposal, and the number of words of a proposal shall be limited to not more than three hundred (300) words.
2. The Company accepted proposals from shareholders for this year's general shareholders' meeting between April 9 and April 19, 2021, and has posted this information on Market Post Observation System as required by law.
3. The Company so far has not received any proposal from any shareholder.