Stock code：1464

DE LICACY INDUSTRIAL CO., LTD.

Shareholders' Meeting in 2023

Meeting Agenda

Time： June 14, 2023

Location:No. 240, Sanshe, Xinshi Dist., Tainar

The type of the shareholders' meeting: Physical shareholders' meeting

DE LICACY INDUSTRIAL CO., LTD.

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DE LICACY INDUSTRIAL CO., LTD.
Meeting Agenda of Shareholders' meeting in 2023

Time：9:00 am on Friday, June 14, 2023

Location: No. 240, Sanshe, Xinshi Dist., Tainan City (The first floor of the company's employee activity center) Physical shareholders' meeting

Meeting procedure:

1. Start of the meeting (report on the number of shareholders present)
2. Chairman's Statement
3. Announcements
   (1).Report of the allocation of Directors' remuneration and Employee bonus stock in 2022
   (2).2022Annual Business Report
   (3).Report of the 2022 final accounts reviewed by the Audit Committee
   (4).Report of investment in China
   (5).Report of the Company's endorsements and guarantees
4. Acknowledgement
   (1).2022 business report and proposals for ratification of individual financial statements and consolidated financial statements
   (2).Proposal for recognition of earnings distribution in 2022
5. Discussion matters
   (1). Proposal in discussion for amendment of Company's "Regulations Governing Procedure for Board of Directors Meetings"
   (2). Discussion for amendment of Company's "Procedures for Ethical Management and Guidelines for Conduct
   (3). Proposal in discussion for transfer of surplus into capital increase and issuance of new shares
6. Election
   (1). Proposal in election of 7 directors (including 4 independent directors)
7. Other Motions
   (1). Proposal in discussion for removal of ban of non-competition for newly appointed directors
8. Extraordinary motions
9. Adjournment

Announcements

Case 1:

Cause of action: Report of the allocation of Directors' remuneration and Employee remuneration in 2022.

Explanation: 1. According to the articles of incorporation of the Company: if the Company makes profits for the year, it shall allocate no less than 4% as employee remuneration, which shall be distributed in stock or cash by the resolution of the Board of Directors, and the payment shall be paid to employees of subsidiary companies who meet certain conditions; The above-mentioned opening profit amount shall be allocated not more than 3% as director's remuneration by the resolution of the Board of Directors.

2.The Company's 2022 profit was NT$ 419,380,174, 4% from which was allocated as employees' compensation as NT$16,775,207 and distributed in cash. 1.5% of 2021 profit was directors' compensation of NT$6,290,703, and net profit before tax was NT$396,314,264 after allocation.

3. The proposal has been reviewed and approved by the ninth meeting of the fourth Session of Compensation Committee on March 15, 2023 and approved by the 21th Board of Directors of the 17th Session on March 15, 2023.

Case 2：

Cause of action: 2022Annual Business Report

Explanation:

2022Annual Business Report

1.Business report of the previous year (2022)

(1) Implementation results of the business plan:

Unit: Thousand New Taiwan Dollars

Year / Item	2022	2021	Increase (decrease) amount	The proportion of changes%
Net sales revenue	12,136,640	10,313,762	1,822,878	17.67
Other operating income	140,361	161,923	(21,562)	(13.32)
Total operating income	12,277,001	10,475,685	1,801,316	17.20
Operating cost	10,494,287	8,871,900	1,622,387	18.29
Operating margin	1,782,714	1,603,785	178,929	11.16
Gain of (Un)Realized sales	-	26	(26)	(100.00)
Realized operating margin	1,782,714	1,603,811	178,903	11.15
Marketing cost	703,478	543,464	160,014	29.44
Management cost	703,453	485,837	217,616	44.79
Research and development cost	207,769	230,732	(22,963)	(9.95)
Loss of expected credit impairment	19,130	19,941	(811)	(4.07)
Total operating costs	1,633,830	1,279,974	353,856	27.65
Other income and net expenses	(17,861)	47,228	(65,089)	(137.82)
Operating profit	131,023	371,065	(240,042)	(64.69)
Total non-operating income and expenses	361,999	(177,052)	539,051	(304.46)
Net profit before tax (net loss)	493,022	194,013	299,009	154.12
Income tax expense (benefits)	86,790	(1,909)	88,699	(4,646.36)
Net profit (net loss) for the year	406,232	195,922	210,310	107.34
Other comprehensive profit and loss (net after tax)	245,934	(140,934)	386,868	274.50
Total comprehensive profit and loss for the year	652,166	54,988	597,178	1,086.02

Overview of production and sales:

① Production：The production of spun fabric in 2022 is 14,253 thousand yards, which was a negative growth of 0.82% compared to 2021's 14,371 thousand yards.

Filament fabric is 173,469 thousand yards, an increase of 12.33% compared to 2021's 154,427 thousand yards.

② Sales：In 2022, the sales of spun fabric were 14,261 thousand yards, which was a negative growth of 4.74% compared to 2021's 14,970 thousand yards. Filament fabric was 173,398 thousand yards, an increase of 13.79% compared to 2021's 152,386 thousand yards.

(2) Budget execution status: Not applicable

(3) Analysis of financial income and expenditure and profitability:

Unit: %

Item			2022	2021
Financial structure	Debt-to-asset ratio（%）		68.82	71.78
	The ratio of long-term funds to fixed assets（%）		212.10	180.66
Solvency	Current ratio（%）		141.14	131.08
	Quick ratio（%）		75.88	75.25
	Interest coverage ratio		3.63	2.27
Profitability	Return on assets（%）		2.99	1.72
	Return on equity（%）		7.31	3.56
	Percentage of paid-in capital（%）	Business interest	3.41	9.65
		Net profit before tax	12.82	5.04
	Net profit rate（%）		3.31	1.84
	Earnings per share (NTD)		0.95	0.48

(4) R&D development status:

①.R&D expenses invested each year as of April 30, 2022 and recent years

	2022	The current year ends on April 30, 2023
Expense	207,769 thousand NTD	58,350 thousand NTD
% Of turnover	1.69%	1.75%

②.Successfully developed products in 2021

(A) LIGHT WEIGHT CORDURA FABRIC
(B) LANZATECH POLYESTER WITH STRETCH FABRIC
(C) PLANT-BASE NYLON FABRIC
(D) SUPER MECH-STRETCH FABRIC
(E) COTTON/KAPOK BLEND FABRIC
(F) LOW TEMPERATURE DYEABLE POLYESTER/WOOL BLEND FABRIC
(G) IMITATION SEWING 3D FABRIC.
(H) WINDBREAKER WITH WATER BASED ACRYLIC COATING ON RECYCED FABRIC
(I) DOWN PROOF WITH EMBOSS AND WAX COATING
(J) 3-Layer Lamination Recycled Mono-Material PET

2.Summary of this year's business plan (2023)

The business policy in 2023 is mainly to develop environmentally friendly, functional

and fashionable products that meet environmental requirements, and actively cooperate with upstream raw material manufacturers to develop new environmentally friendly materials and auxiliaries, and integrate our factory's false twist, weaving, dyeing and finishing processing and processing. Innovative technology for post-processing, laminating, coating, and other equipment to enhance product quality and added value. Efforts to transform the production technology, in terms of spun fabric: 1. Production of filament YD cloth. 2. Fine count cotton fabric. 3. Produce new spun and filament blended fabric. Functional products that combine fashion, leisure and comfort. In terms of filament fabric: Focus on high-tech innovation, and produce functional products that are lighter, thinner, more flexible, comfortable, and environmentally friendly.

(1).Business policies and important production and sales policies:

①.Strengthen the interaction with brand customers, and directly cooperate with final buyers, increase business sales and single source stability, and actively grasp the main and potential customer groups. (Such as GOLF product, UNIFORM product, Casual product, and anti-wear products)

②.The promotion of core products strengthens the control of the channels of garment factories.

Filament product：elastic sports cloth, soluble yarn, fleece。

Spun product：Elastic shirt cloth,flannel,Interlacing dyed cloth。

③.Deeply cultivate functional furnishing fabrics, clothing fabrics, SPORT fabrics and OUTDOOR fabrics. Furnishing fabrics focus on China, Northern Europe, and Italy, and focus on BVB yarn and woolen yarn. The clothing market focuses on the top brands in North America and Europe, with sports, casual and fashion.

④.Deeply cultivate existing distributors, enhance the development of new distributors (such as e-commerce brands), and expand the number of vast incoming orders.

⑤.Enhance R&D and innovation capabilities, strengthen product planning, improve quality and accelerate the development of differentiated products (especially in response to the exemption of garment tariffs from the seven ASEAN countries), and cultivate the rapid and flexible market response capabilities of business personnel and R&D personnel.

⑥.Commit to the research and development of leisure products and the expansion of the market in the field of sports and leisure, research and development of the latest materials such as: knitted elastic fabric, Tencel cotton feel processing silk, embossed appearance fabric materials, wool feel processing silk, fabrics of high elasticity, high resilience and high protection, etc.

⑦.Parallel with the world trend, abide by environmental regulations, and follow the lead to the sustainable environment: Pandemic has cultivated consumers with strong awareness and also made consumers pay more and more attention to the environmental sustainability of sports products.

⑧.The De Licacy factory in Vietnam mainly:

(1)With Vietnamese clothing manufacturers Strengthen cooperation with Vietnamese companies, supply Vietnamese materials to Vietnamese garment factories, with shortened delivery time and fast service as the largest niche;

(2) Technical cooperation with Japanese trading companies, the more Japanese companies send personnel to field technology & quality control, and the higher

the level of follow-up Japanese customers have the same requirements.

(2).Expected sales quantity and its basis (the following expected sales volume is estimated by the business department based on the current economic situation):

Main product	Filament fabric	Spun fabric
Expected sales quantity this year	173,398Thousand yards	14,261Thousand yards

Person in charge: Ye Jiaming Manager: Ye Jiaming Accounting Supervisor: You Yineng

Case 3：

Cause of action: Report of the 2022 final accounts reviewed by the Audit Committee.

Explanation: The 2022 Financial Report of the Company, been approved by the Board of Directors and audited by CPA, along with business report and the earnings distribution statement, were submitted for review by the audit committee and its review report was provided.

DE LICACY INDUSTRIAL CO., LTD.

Audit Committee Approval Report

The audit committee agreed and passed the resolutions of the Board of Directors of the Company's 2022 business report, financial statements, and earnings distribution, including financial statements (balance sheet, consolidated income statement, statement of changes in equity, cash flow statement) and consolidated financial statements. The report was issued by the Board of Directors of Deloitte Touche Tohmatsu Limited's accountants Yang Chaoqin and Wang Teng Wei to audit the completion of the visa and an audit report of unmodified opinion was issued.

The Audit Committee is responsible for supervising the Company's financial reporting process.

The certified accountant visas the Company's 2022 financial statements and communicates with the audit committee on the following matters:

1. There are no major findings in the inspection scope and time planned by the certified public accountant.
2. The certified public accountant provided the audit committee with the personnel of the accounting firm's affiliated firm subject to independence regulations, and has complied with the statement of independence in the professional ethics of accountants, and has not found other relationships that may be considered to affect the independence of accountants and other matters.
3. The certified public accountant communicates with the audit committee on key audit matters, and the key audit matters that must be communicated in the audit report have been included in the audit report.

The Company's 2022 financial statements, business reports, and earnings distribution, approved by the audit committee and approved by the Board of Directors are in compliance with relevant laws and regulations. A report is prepared in accordance with Article 219 of the Company Act.

Please verify
Sincerely

DE LICACY INDUSTRIAL CO., LTD. 2023 shareholders' meeting

Independent director: Huang Junren

April 25, 2023

DE LICACY INDUSTRIAL CO., LTD.

Audit Committee Approval Report

The audit committee agreed and passed the resolutions of the Board of Directors of the Company's 2022 business report, financial statements, and earnings distribution, including financial statements (balance sheet, consolidated income statement, statement of changes in equity, cash flow statement) and consolidated financial statements. The report was issued by the Board of Directors of Deloitte Touche Tohmatsu Limited's accountants Yang Chaoqin and Wang Teng Wei to audit the completion of the visa, an audit report of unmodified opinion was issued.

The Audit Committee is responsible for supervising the Company's financial reporting process.

The certified accountant visas the Company's 2022 financial statements and communicates with the audit committee on the following matters:

1. There are no major findings in the inspection scope and time planned by the certified public accountant.
2. The certified public accountant provided the audit committee with the personnel of the accounting firm's affiliated firm subject to independence regulations, and has complied with the statement of independence in the professional ethics of accountants, and has not found other relationships that may be considered to affect the independence of accountants and other matters.
3. The certified public accountant communicates with the audit committee on key audit matters, and the key audit matters that must be communicated in the audit report have been included in the audit report.

The Company's 2022 financial statements, business reports, and earnings distribution approved by the audit committee and approved by the Board of Directors are in compliance with relevant laws and regulations. A report is prepared in accordance with Article 219 of the Company Act.

Please verify
Sincerely

DE LICACY INDUSTRIAL CO., LTD. 2023 shareholders' meeting

Independent director: Su Baicheng

April 25, 2023

DE LICACY INDUSTRIAL CO., LTD.

Audit Committee Approval Report

The audit committee agreed and passed the resolutions of the Board of Directors of the Company's 2022 business report, financial statements, and earnings distribution, including financial statements (balance sheet, consolidated income statement, statement of changes in equity, cash flow statement) and consolidated financial statements. The report was issued by the Board of Directors of Deloitte Touche Tohmatsu Limited's accountants Yang Chaoqin and Wang Teng Wei to audit the completion of the visa, an audit report of unmodified opinion was issued.

The Audit Committee is responsible for supervising the Company's financial reporting process.

The certified accountant visas the Company's 2022 financial statements and communicates with the audit committee on the following matters:

1. There are no major findings in the inspection scope and time planned by the certified public accountant.
2. The certified public accountant provided the audit committee with the personnel of the accounting firm's affiliated firm subject to independence regulations, and has complied with the statement of independence in the professional ethics of accountants, and has not found other relationships that may be considered to affect the independence of accountants and other matters.
3. The certified public accountant communicates with the audit committee on key audit matters, and the key audit matters that must be communicated in the audit report have been included in the audit report.

The Company's 2022 financial statements, business reports, and earnings distribution approved by the audit committee and approved by the Board of Directors are in compliance with relevant laws and regulations. A report is prepared in accordance with Article 219 of the Company Act.

Please verify
Sincerely

DE LICACY INDUSTRIAL CO., LTD. 2023 shareholders' meeting

Independent director: Cai Qijun

April 25, 2023

Case 4:

Cause of action: Report of investment in China, for your honor's approval.

Explanation: 1.Approved by the 19th meeting of the 14th session of the Board of Directors on January 16, 2014, participating in the investment and establishment of overseas companies and indirect investment in China, the relevant details of this investment case authorized the chairman to be within the limit of RMB$220 million to take full responsibility.

The description of this investment case is as follows:

(1) Investment method:

Vantage Gain Holdings Limited (Poly Group Corporation Ltd.) was acquired by De Licacy (Samoa) Holdings Co., a 100%-owned subsidiary of the Company, holding 73.33% of the shares. Vantage Gain Holdings Limited reinvested in PERFECT STEP INVESTMENTS LIMITED, holding 20% of the shares. PERFECT STEP INVESTMENTS LIMITED indirectly invested in De Licacy (Shanghai) Industrial Co., Ltd. through Shinyong International Co., Ltd., NEW HAO ENTERPRISE CO., LTD. and other legal entities,holding 100% of the shares.

(2) investment amount:

Investment funds remitted to PERFECT STEP INVESTMENTS LIMITED

USD 1,650,000 (NTD 49,597,350) invested on June 20, 2014
USD 1,629,850 (NTD 48,732,515) invested on September 9, 2014
USD 3,572,400 (NTD 113,548,734) invested on December 24, 2014
USD 360,000 (NTD 11,435,400) invested on October 20, 2016
USD 356,575 (NTD 10,777,479) invested on August 7, 2017
USD 350,212 (NTD 10,712,985) invested on September 27, 2018
USD 440,000 (NTD 13,649,240) invested on September 23, 2019
USD 285,800 (NTD 8,609,725) invested on December 30, 2019
USD 217,200 (NTD 6,375,037) invested on September 9, 2020
USD 1,199,660 (NTD 34,082,341) invested on January 27, 2021
USD 547,400 (NTD 15,204,035) invested on September 9, 2021
USD 296,800(NTD 8,843,156) invested on June 17, 2022
USD 2,321,600 (NTD 69,555,136) invested on July 25, 2022

(3) This case was approved in principle by the No. 10400285270 Letter of Shen Er Zi No. 10400285270 on March 30, 2016 by the Investment Review Committee of the Ministry of Economic Affairs.

2.On March 15, 2021, the Sixth Session of the Seventeenth Board of Directors tentatively agreed that De Licacy (Samoa) Holdings Co., LTD., a subsidiary of the Company's capital increase, would reinvest in BEST ALLIANCE INTERNATIONAL LIMITED, and then invest in Jiangsu Province, China, and set up APEX (NANTONG) TEXTILE CO., LTD. This investment case is a new investment case due to Hangzhou DE LICACY INDUSTRIAL CO., LTD. and Zhejiang LUCKY UNIQUE ENT. CO., LTD.’s proposed demolition, relocation or name

change. The relevant details of this investment case authorize the chairman to full processing within the USD 60 million quota.

The description of this investment case is as follows:

(1) Approved for Recordation as per August 27, 2021, MOEA Shen-Er-Zi Letter No. 11000129360 of the Investment Commission, Ministry of Economic Affairs.

Investment Method:

The subsidiary by increased capital of 100% shareholding of the Company, De Licacy (Samoa) Holdings Co., LTD., reinvested in BEST ALLIANCEINTERNATIONAL LIMITED, and then reinvested in APEX (NANTONG) TEXTILE CO., LTD.

Investment amount:

USD 5,000,000 (NTD 138,875,000) invested on December 3, 2021
USD 10,000,000 (NTD299,880,000) invested on July 19, 2022

(2) Approved for Recordation as per November 3, 2022, MOEA Shen-Er-Zi Letter No. 11100151020 of the Investment Commission, Ministry of Economic Affairs.

Investment Method:
The subsidiary by increased capital of 100% shareholding of the Company, De Licacy (Samoa) Holdings Co., LTD., reinvested in BEST ALLIANCEINTERNATIONAL LIMITED, and then reinvested in APEX (NANTONG) TEXTILE CO., LTD.

Investment amount:
USD 10,000,000 (NTD306,900,000) invested on December 12, 2022

Case 5:

Cause of action: Report of the Company's endorsements and guarantees, for your honor's approval.

Explanation: 1. As of March 31, 2022, the Company's overview of the endorsement guarantee:

(1) Objects of endorsement guarantee： CHADTEX INDUSTRIAL CO., LTD. is a55.06%-owned subsidiary; APEX TEXTILE CO.,LTD are comprehensively held 61.71% Subsidiary; DE SHEN(CAYMAN) HOLDINGS CO., LTD., HANGZHOU DE LICACY TEXTILE CO.,LTD., Hong Kong EDEN ROAD INTERNATIONAL LTD., DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., New Lake Co., Ltd. ., Vietnam DE LICACY INDUSTRIAL CO., LTD and APEX (NANTONG) TEXTILE CO.,LTD.. are 100%- owned subsidiaries.

(2) The total amount of endorsement guarantee : NTD4,966,640 thousand.

(3) Purpose of endorsement guarantee: to provide endorsement guarantee for subsidiary loans.

(4) Based on the net value of the financial statements on December 31, 2022, the total limit of the Company's external endorsement guarantee and the limitof the single company's endorsement guarantee is NT$7,753,671 thousand and NT$2,584,557, respectively. The Company's endorsement guarantees are handled in accordance with the "Endorsement Guarantee Operation Procedures", and there is no case that exceeds the prescribed limit.

Item	The name of the Company endorsed	Endorsement guarantee amount (New Taiwan Dollar in Thousand)
1	CHADTEX INDUSTRIAL CO., LTD.	105,000
2	De Shen (Cayman) Holding Co., Ltd.	943,950
3	Hangzhou DE LICACY INDUSTRIAL CO., LTD.	49,310
4	DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	190,900
5	New Lake Co., Ltd.	1,035,300
6	Vietnam DE LICACY INDUSTRIAL CO., LTD.	1,238,225
7	APEX TEXTILE CO.,LTD	243,705
8	Hong Kong EDEN ROAD INTERNATIONAL LTD.	274,050
9	APEX (NANTIONG) TEXTILE CO.,LTD	886,200
	Total	4,966,640

2.The Company is the operating headquarters of the group. In recent

years, with the rise of sports trends, the momentum for related customers to place orders has increased. With the development of business and the continuous expansion of revenue scale, the capital required for operations has increased relatively. The Company's share capital is only NTD$ 3.8 billion. With limited self-owned funds, it is necessary to borrow from the bank to meet the funding needs of daily operations and purchase of materials. However, if all subsidiaries of the group need to raise funds from financial institutions for working capital, the Company shall be responsible for joint guarantees, so that they can apply for short-term financing lines from banks. In anticipation that the funds required for future operations will continue to rise, the Company will continue to provide Bank financing and borrowing methods to meet the required funds.

3. As of March 31, 2023, the subsidiary has no endorsement guarantee.

Acknowledgement

Case 1: Board of Directors

Cause of action: According to the Company's 2022 business report and individual financial statements and consolidated financial statements, please acknowledge it.

Explanation: 1. The Company's 2022 financial statements were approved by the Board of Directors and completed after the accountant's review. Together with the business report and statements of deficit compensated, they were sent to the audit committee for review and a review report was submitted.

2. For the 2022 business report, please refer to pages 2 to 5 of this meeting handbook, and for the accountant's audit report and financial statements, please refer to pages 14 to 33 of this meeting handbook.

Resolution:

Independent Auditors' Report

Dear the Board of Directors and Shareholders of De Licacy Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of De Licacy Industrial Co., Ltd. (the "Company"), which comprise the parent company balance sheets as of December 31, 2022 and 2021, and the parent company of comprehensive income, parent company of changes in equity and parent company of cash flows for the years then ended, and the notes to the parent company only financial statements Individual statements , including a summary of significant accounting policies

In our opinion, which is based on our and other accountants' auditing results (please refer other matters section) and accompanying parent company only financial statements Individual statements fairly, in all material respects, the financial position of the De Licacy Group as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations of IFRS ("IFRIC"), and Interpretations of IAS ("SIC") endorsed by the Financial Supervisory Commission ("FSC") of Taiwan, the Republic of China ("ROC").

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

The descriptions of the key audit matter of the 2022 individual financial statements of the De Licacy Group are as follows:

Authenticity of revenue recognition

Whether the Company's operating income from specific customers occur that has a significant impact on the financial statement of the year ended December 31, 2022. It is considering that the revenue recognition inherently carries a higher risk of fraud and the management may be under pressure to achieve expected financial goals. The authenticity of revenue recognition from specific customers is listed as a key audit item. Please refer to the Individual Financial Report Note 4(11) for the explanation of revenue recognition policy..

The accountants had performed major auditing procedures to the sales revenue from specific customers, which are as follows:

The accountants had performed major auditing procedures to the sales revenue from some of the major customers, which are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal sales cycle control system.

2. Select samples from the sales details of the above-mentioned specific customers, verify their purchase orders, pro forma invoices, export declarations and other relevant documents to confirm whether the control rights of the goods had been truly transferred and the obligations had been performed, and check whether the sales objects and the payers were consistent to confirm the authenticity of the sales revenue.

Other Matters

The financial statements included in the individual financial statements of Deloitte Touche Tohmatsu, Inc. and its investee company, ERA NOUVEAU International Co., Ltd. ("ERA NOUVEAU"). Accordingly, our opinion on the individual financial statements referred to above, which relates to the amount of the aforementioned investment and its comprehensive income and loss, was based on the audited reports of other auditors. The above investments accounted for by the equity method amounted to $9,395,000 as of December 31, 2021, representing less than 1% of the total individual assets. The individual loss recognized under the equity method amounted to $3,572,000 as of December 31, 2021, which accounted for (6%) of the individual comperhensive income.

Management's and Governance's Responsibility for the Individual Financial Statments

Management's responsibility is to prepare individual financial statements in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of individual financial statements as is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes assessing the ability of the Company to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate the Company or cease operations, or there is no practical alternative to liquidation or discontinuation of operations.

The governance unit (Audit Committee) of the Company has the responsibility for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit performed in accordance with auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We are also:

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

an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We have obtained sufficient and appropriate auditing evidence of the financial information of the constituted entities of the Company to express our opinions on the individual financial statements. We are responsible for the guidance, supervision and execution of the Company's audits and we are responsible for providing auditing opinions with the Company.

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 2022 financial statements 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.

Deloitte Touche Tohmatsu, Inc.

CPA: Chao-Chin Yang

CPA: Teng-Wei Wang

Financial Supervisory Commission
Authorized No. :Jin-Guan-Certificate No. 1060023872

Financial Supervisory Commission
Authorized No. :Jin-Guan-Certificate No. 1100356048

Date: 15 March 2023

Notice to Readers

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

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

De Licacy Industrial Co., Ltd.
Individual Balance Sheets
The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash（Note 4 and 6）	$ 166,036	1	$ 218,567	2
1110	Financial assets measured at fair value through profit or loss-current（Note 4 and 7）	34,370	-	8,914	-
1121	Financial assets measured at fair value through other comprehensive income-current（Note 4 and 8）	1,112	-	2,556	-
1136	Financial assets at amortized cost-current（Note 4, 9 and 32）	1,400,045	10	3,089,638	22
1150	Notes receivable（Note 4, 10 and 24）	22,902	-	92,973	1
1160	Notes receivable-related parties（Note 4, 24 and 31）	47,182	1	52,974	-
1170	Net accounts receivable（Note 4, 10 and 24）	463,133	3	473,054	3
1180	Accounts receivable-related parties（Note 4, 24 and 31）	52,738	1	88,593	1
1200	Other receivables（Note 4）	2,972	-	15,473	-
1210	Other receivables-related parties（Note 4 and 31）	20,410	-	183,092	1
1220	Current income tax assets（Note 4 and 26）	5,674	-	5,637	-
130X	Inventory（Note 4 and 11）	1,745,281	12	1,568,947	11
1410	Prepayments（Note 15）	29,752	-	37,408	-
1470	Other current assets（Note 16）	45,340	-	44,929	-
11XX	Total current assets	4,036,947	28	5,882,755	41
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income-non-current（Note 4 and 8）	20,846	-	28,689	-
1535	Financial assets at amortized cost-non-current（Note 4, 9 and 32）	1,294,524	9	-	-
1550	Investments accounted for using equity method（Note 4 and 12）	7,871,400	55	7,159,166	51
1600	Property, plant and equipment（Note 4, 13, 31 and 32）	831,128	6	830,479	6
1755	Right-of-use assets（Note 4 and 14）	110,291	1	8,453	-
1840	Deferred tax assets（Note 4 and 26）	191,405	1	277,345	2
1920	Refundable deposits（Note 4）	11,862	-	10,288	-
1915	Prepayment for equipment	16,336	-	13,660	-
1975	Net confirmed welfare assets（Note 4 and 22）	28,188	-	11,523	-
15XX	Total non-current assets	10,375,980	72	8,339,603	59
1XXX	Total assets	$ 14,412,927	100	$ 14,222,358	100

Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans（Note 17 and 32）	$ 2,897,322	20	$ 4,039,653	29
2110	Short-term notes payable（Note 17）	709,621	5	709,511	5
2120	Financial liabilities measured at fair value through profit or loss-current（Note 4 and 7）	-	-	120	-
2150	Notes payable（Note 18）	125,469	1	137,847	1
2160	Notes payable-related parties（Note 31）	77,602	-	57,287	-
2170	Accounts payable（Note 18）	97,836	1	110,911	1
2180	Accounts payable-related parties（Note 31）	304,244	2	144,134	1
2200	Other payables（Note 19）	236,074	2	170,752	1
2220	Other payables-related parties（Note 31）	262,314	2	38,167	-
2230	Current tax liabilities（Note 4 and 26）	2,557	-	2,557	-
2280	Lease liabilities-current（Note 4 and 14）	55,501	-	6,892	-
2313	Deferred income-current（Note 4 and 20）	1,359	-	297	-
2322	Long-term loans due within one year（Note 17 and 32）	276,741	2	197,001	1
2365	Refund liabilities-current（Note 21）	4,340	-	2,844	-
2399	Other current liabilities	60,002	-	60,568	1
21XX	Total current liabilities	5,110,982	35	5,678,541	40
	Non-current liabilities				
2541	Long-term bank loans（Note 17 and 32）	4,020,027	28	3,845,898	27
2570	Deferred tax liabilities（Note 4 and 26）	46,204	-	33,927	-
2580	Lease liabilities-non-current（Note 4 and 14）	54,925	1	1,652	-
2630	Deferred income-non-current（Note 4 and 20）	4,474	-	6,125	-
2645	Deposits received	7,201	-	1,778	-
25XX	Total non-current liabilities	4,132,831	29	3,889,380	27
2XXX	Total liabilities	9,243,813	64	9,567,921	67
	Equity（Note 23）				
3110	Common stocks	3,845,657	27	3,845,657	27
3200	Capital surplus	581,654	4	676,850	5
	Retained earnings				
3310	Legal reserve	138,909	1	121,649	1
3320	Special reserve	557,298	4	401,956	3
3350	Unappropriated retained earnings	373,488	2	172,602	1
3300	Total retained earnings	1,069,695	7	696,207	5
3400	Other equity	(327,892)	(2)	(564,277)	(4)
3XXX	Total equity	5,169,114	36	4,654,437	33
	Total labilities and equity	$ 14,412,927	100	$ 14,222,358	100

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

Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd.
Individual Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)
（Except Earnings Per Share）

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating income（Notes 4, 24 and 31）				
4100	Net sales revenue	$ 4,332,636	99	$ 3,843,741	99
4800	Other operating income	24,379	1	25,871	1
4000	Total operating income	4,357,015	100	3,869,612	100
	Operating costs（Note 11, 22, 25 and 31）				
5110	Cost of goods sold	3,969,442	91	3,498,333	90
5900	Gross operating income	387,573	9	371,279	10
5910	Unrealized losses of subsidiaries and affiliates（Note 4）	6,361	-	6,364	-
5920	Realized losses of subsidiaries and affiliates（Note 4）	(6,364)	-	(6,405)	-
5950	Gross realized operating income	387,570	9	371,238	10
	Operating expenses（Notes 10, 22, 25 and 31）				
6100	Marketing expenses	281,424	6	206,446	5
6200	General and administrative expenses	166,463	4	118,375	3
6300	Research and development expenses	103,425	2	122,937	3
6450	Expected credit loss	22,339	1	19,559	1
6000	Total operating expenses	573,651	13	467,317	12
6500	Net other income and expenses（Notes 25 and 31）	1,815	-	44,368	1
6900	Net loss	(184,266)	(4)	(51,711)	(1)
	Non-operating income and expenses（Notes 4, 7, 25 and 31）				
7100	Interest income	31,427	1	17,872	-
7010	Other income	64,328	1	82,442	2
7020	Other benefits and losses	374,551	9	(123,009)	(3)
7050	Finance costs	(107,623)	(3)	(96,903)	(3)
7070	Share of losses of affiliates using the equity method	217,897	5	338,114	9
7000	Total non-operating income and expenses	580,580	13	218,516	5
7900	Net profit before tax	$ 396,314	9	$ 166,805	4
7950	Income tax expenses (benefits)（Notes 4 and 26）	29,256	-	(16,183)	(1)

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Code		2022 Amount	2022 %	2021 Amount	2021 %
8200	Net profit for the year	367,058	9	182,988	5
	Other comprehensive income, net				
8310	Items not reclassified to profit or loss:				
8311	Determine the remeasurement of the benefit plan (Note 22)	6,278	-	(11,961)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive income (Note 23)	(9,288)	-	(27,834)	(1)
8331	Remeasurements of confirmed welfare plans of subsidiaries and affiliates accounted for using equity method	2,083	-	(877)	-
8336	Unrealized gains or losses of subsidiaries and affiliates measured at fair value through other comprehensive income accounted for using equity method（Note 23）	(30,040)	(1)	(20,530)	-
8349	Income tax related to items not reclassified（Note 26）	(1,256)	-	2,392	-
		(32,223)	(1)	(58,810)	(1)
	Items that may be reclassified to profit or loss in the future:				
8361	Exchange differences on conversion of financial statements of foreign operations（Note 23）	326,307	8	(72,233)	(2)
8380	Share of other comprehensive income of subsidiaries and affiliates accounted for using equity method（Note 23）	6,540	-	(1,564)	-
8399	Income tax related to items that may be reclassified（Note 23 and 26）	(67,705)	(2)	14,447	-
8360		265,142	6	(59,350)	(2)
8300	Total other comprehensive income for the year (net after tax)	232,919	5	(118,160)	(3)
8500	Total comprehensive income for the year	$ 599,977	14	$ 64,828	2
	Earnings per share（Note 27）				
9710	Basic	$ 0.95		$ 0.48	
9810	Diluted	$ 0.95		$ 0.48	

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

Chairman: Chia-Min Yeh　　Manager: Wei-Li Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd.
Individual Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)
（Except Dividends Per Share）

Code		Common stocks	Capital surplus	Retained earnings			Other equity			Grand total
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on conversion of financial statements of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total	
A1	Balance on 1 January 2021	$ 3,845,657	$ 791,558	$ 283,732	$ 401,956	($ 162,083)	($ 512,671)	$ 56,168	($ 456,503)	$ 4,704,317
	Appropriations of 2020 earnings（Note 23）									
B13	Legal reserve to offset accumulated deficit	-	-	(162,083)	-	162,083	-	-	-	-
C7	Changes in equity of investment in affiliates for using equity method	-	661	-	-	-	-	-	-	661
C15	Cash dividends from capital surplus to shareholders －$0.3 per share（Note 23）	-	(115,369)	-	-	-	-	-	-	(115,369)
D1	Net income for the year ended December 31, 2021	-	-	-	-	182,988	-	-	-	182,988
D3	Other comprehensive profit (loss) after tax for the year ended December 31, 2021	-	-	-	-	(10,446)	(59,350)	(48,364)	(107,714)	(118,160)
D5	Total comprehensive profit (loss) after tax for the year ended December 31, 2021	-	-	-	-	172,542	(59,350)	(48,364)	(107,714)	64,828
Q1	Disposal of equity instruments measured at fair value through other comprehensive income（Note 23）	-	-	-	-	60	-	(60)	(60)	-
Z1	Balance on December 31, 2021	3,845,657	676,850	121,649	401,956	172,602	(572,021)	7,744	(564,277)	4,654,437
	Appropriations of 2021 earnings（Note 23）									
B1	Legal reserve	-	-	17,260	-	(17,260)	-	-	-	-
B3	Special reserve	-	-	-	155,342	(155,342)	-	-	-	-
C7	Changes in equity of investment in affiliates for using equity method	-	946	-	-	(153)	-	-	-	793
C15	Cash dividends from capital surplus to shareholders －$0.25 per share（Note 23）	-	(96,142)	-	-	-	-	-	-	(96,142)
D1	Net income for the year ended December 31, 2022	-	-	-	-	367,058	-	-	-	367,058
D3	Other comprehensive profit (loss) after tax for the year ended December 31, 2022	-	-	-	-	7,105	265,142	(39,328)	225,814	232,919
D5	Total comprehensive profit (loss) after tax for the year ended December 31, 2022	-	-	-	-	374,163	265,142	(39,328)	225,814	599,977
M3	Subsidiary liquidation and returned shares (Note 23)	-	-	-	-	-	12,218	-	12,218	12,218
M7	Changes in equity to the subsidiary ownership	-	-	-	-	(2,169)	-	-	-	(2,169)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income（Note 23）	-	-	-	-	1,647	-	(1,647)	(1,647)	-
Z1	Balance on December 31, 2022	$ 3,845,657	$ 581,654	$ 138,909	$ 557,298	$ 373,488	($ 294,661)	($ 33,231)	($ 327,892)	$ 5,169,114

The accompanying notes are an integral part of the individual financial statements

.Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before tax	$ 396,314	$ 166,805
	Adjustments for:		
A20010	Revenues/Expenses		
A20100	Depreciation	132,519	128,415
A20300	Expected credit loss	22,339	19,559
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(2,821)	226
A20900	Finance costs	107,623	96,903
A21200	Interest income	(31,427)	(17,872)
A21300	Dividend income	(210)	-
A22300	Share of subsidiaries and affiliates income accounted for using equity method	(217,897)	(338,114)
A22500	Gain on disposal of property, plant and equipment	(1,815)	(44,368)
A23700	Inventory valuation and obsolescence losses	122,283	8,491
A23900	Unrealized losses of subsidiaries and affiliates	(6,361)	(6,364)
A24000	Realized losses of subsidiaries and affiliates	6,364	6,405
A24100	Unrealized foreign exchange losses (profits)	(288,838)	20,304
A24500	Gains from lease amendment	-	(84)
A29900	Allowance for refund liability	1,496	2,844
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	70,071	(66,541)
A31140	Notes receivable-related parties	5,792	(27,822)
A31150	Accounts receivable	(12,418)	(145,513)
A31160	Accounts receivable-related parties	35,855	28,301
A31180	Other receivables	12,501	2,441
A31190	Other receivables-related parties	(91)	(7,444)
A31200	Inventory	(298,617)	(205,682)
A31230	Prepayments	7,656	(12,859)
A31240	Other current assets	(411)	(11,650)
A32110	Financial liabilities held for trading	-	(18,919)
A32130	Notes payable	(9,565)	74,720
A32140	Notes payable-related parties	20,315	25,081
A32150	Accounts payable	(13,075)	16,002
A32160	Accounts payable-related parties	160,110	60,263
A32180	Other payables	65,655	15,240
A32190	Other payables-related parties	(21,533)	21,646
A32210	Deferred income-current and non-current	(589)	(2,472)
A32230	Other current liabilities	(566)	9,338
A32240	Net defined benefit liabilities-non-current	(10,387)	(8,962)
A33000	Cash generated from (used in) operations	250,272	(211,682)
A33100	Interest received	33,527	15,781
A33200	Dividends received	5,849	11,358
A33300	Interest paid	(103,855)	(98,265)

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Code		2022	2021
A33500	Income tax paid	($ 38)	($ 870)
AAAA	Net cash generated from (used in) operating activities	185,755	(283,678)
	Cash flow from investing activities		
B00040	Acquisition of financial assets at amortized cost	(9,232,853)	(9,702,766)
B00060	Financial assets at amortized cost repayment of principal upon maturity	9,916,760	9,261,244
B00100	Acquisition of financial assets measured at fair value through profit or loss	(22,755)	(16,455)
B00200	Disposal of financial assets measured at fair value through profit or loss	-	16,630
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(12,037)
B00020	Sales for financial assets measured at fair value through other comprehensive income	-	9,180
B01800	Acquisition of investments accounted for using equity method	(32,778)	(38,962)
B02400	Returned payments for share from subsidiary reduction of capital	157,350	15,315
B02700	Acquisition of property, plant and equipment	(110,288)	(35,477)
B02800	Proceeds from disposal of property, plant and equipment	2,018	51,006
B03700	Increase in refundable deposits	(1,800)	(350)
B03800	Decrease in refundable deposits	226	550
B04300	Increase in other receivables-related parties	(211,244)	(161,410)
B04400	Decrease in other receivables-related parties	371,788	566,293
B07100	Increase in prepayment for equipment	(16,236)	(612)
BBBB	Net cash generated from (used in) investing activities	820,188	(47,851)
	Cash flows from financing		
C00100	Increase in short-term loans	17,076,796	20,778,774
C00200	Decrease in short-term loans	(18,219,127)	(21,351,097)
C00500	Increase in short-term notes payable	9,478,746	18,230,606
C00600	Decrease in short-term notes payable	(9,478,636)	(18,230,596)
C01600	Payments of finance lease liabilities	3,950,000	3,067,693
C01700	Repayment of long-term debt	(3,697,997)	(2,101,808)
C03000	Increase in deposits received	5,652	3,451
C03100	Decrease in deposits received	(229)	(4,000)
C03700	Increase in other payables-related parties	245,680	-
C04020	Repayment of the principal portion of lease liabilities	(14,398)	(13,270)
C04500	Cash dividends	(96,142)	(115,369)
C05400	Acquisition of subsidiaries equity	(308,819)	(55,645)
CCCC	Net cash generated from (used in) financing activities	(1,058,474)	208,739
EEEE	NET INCREASE (DECREASE) IN CASH	(52,531)	(122,790)
E00100	CASH AT THE BEGINNING OF THE YEAR	218,567	341,357
E00200	CASH AT THE END OF THE YEAR	$ 166,036	$ 218,567

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

Chairman: Chia-Min Yeh Manager: Wei-Li Yeh Accounting Manager: Yi-Nung Yu

Independent Auditors' Report

Dear the Board of Directors and Shareholders of De Licacy Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of De Licacy Industrial Co., Ltd and its subsidiaries (the "De Licacy Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, which is based on our and other accountants' auditing results (please refer other matters section) and accompanying consolidated financial statements present fairly, in all material respects, the financial position of the De Licacy Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations of IFRS ("IFRIC"), and Interpretations of IAS ("SIC") endorsed by the Financial Supervisory Commission ("FSC") of Taiwan, the Republic of China ("ROC")

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matter of the 2022 consolidated financial statements of the De Licacy Group are as follows:

Authenticity of revenue recognition

Whether the De Licacy Group's operating income from specific customers occur that has a significant impact on the financial statement of the year ended December 31, 2022. It is considering that the revenue recognition inherently carries a higher risk of fraud and the management may be under pressure to achieve expected financial goals. The authenticity of revenue recognition from specific customers is listed as a key audit item. Please refer to the Consolidated Financial Report Note 4(14) for the explanation of revenue recognition policy.

The accountants had performed major auditing procedures to the sales revenue from specific customers, which are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal sales cycle control system.
2. Select samples from the sales details of the above-mentioned specific customers, verify their purchase orders, pro forma invoices, export declarations and other relevant

documents to confirm whether the control rights of the goods had been truly transferred and the obligations had been performed, and check whether the sales objects and the payers were consistent to confirm the authenticity of the sales revenue.

Other Matters

The consolidated financial statements included in the consolidated financial statements of Deloitte Touche Tohmatsu, Inc. and its investment in ERA NOUVEAU International Co., Ltd. ("ERA NOUVEAU"). Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the amount of the aforementioned investment and its share of other comprehensive income accounted for using equity method, were based on the audited reports of other auditors. The above investments accounted for by the equity method amounted to $9,395,000 as of December 31, 2021, representing less than 1% of the total consolidated assets. The consolidated loss recognized under the equity method amounted to $3,572,000 for the year ended December 31, 2022, which accounted for (6%) of the consolidated total profit or loss.

De Licacy Industrial Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2022 and 2021, and we have respectively issued an unqualified audit report and an unqualified audit report with additional qualifications for reference.

Management's and Governance's Responsibility for the Consolidated Financial Statements

Management's responsibility is to prepare consolidated financial statements in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as 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's responsibility also includes assessing the ability of the Group to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate the Group or cease operations, or there is no practical alternative to liquidation or discontinuation of operations.

The governance unit (Audit Committee) of the Group has the responsibility for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit performed in accordance with auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We are 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 Corporation'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 Corporation'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 Corporation 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We have obtained sufficient and appropriate auditing evidence of the financial information of the constituent entities of the Group to express our opinions on the consolidated financial statements. We are responsible for the guidance, supervision and execution of the Group's audits and we are responsible for providing auditing opinions with the Group.

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 2022 financial statements 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.

Deloitte Touche Tohmatsu, Inc.

CPA: Chao-Chin Yang

CPA: Teng-Wei Wang

Financial Supervisory Commission
Authorized No. :Jin-Guan-Certificate No.
1060023872

Financial Supervisory Commission
Authorized No. :Jin-Guan-Certificate No.
1100356048

Date: 15 March 2023

Notice to Readers

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

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

De Licacy Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
The Years Ended December 31, 2022 and 2021

(In thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents（Note 4 and 6）	$ 1,351,927	7	$ 1,045,569	5
1110	Financial assets measured at fair value through profit or loss-current（Note 4 and 7）	38,099	-	142,732	1
1120	Financial assets measured at fair value through other comprehensive income-current（Note 4, 8 and 35）	172,656	1	109,867	-
1136	Financial assets at amortized cost-current（Note 4, 9 and 35）	1,703,099	9	3,419,464	18
1150	Notes receivable（Note 4, 10 and 26）	78,635	1	156,292	1
1160	Notes receivable-related parties（Note 4, 26 and 34）	51,350	-	54,268	-
1170	Net accounts receivable（Note 4, 10 and 26）	1,585,185	9	1,680,044	9
1180	Accounts receivable-net amount of related parties（Note 4, 26 and 34）	85,457	1	117,973	1
1200	Other receivables（Note 4 and 10）	242,888	1	98,578	-
1210	Other receivables-related parties（Note 4 and 34）	35,851	-	47,803	-
1220	Current income tax assets（Note 4 and 28）	6,313	-	6,212	-
130X	Inventory（Note 4 and 11）	3,838,511	21	4,151,693	22
1410	Prepayments（Note 17）	246,908	1	190,389	1
1479	Other current assets（Note 18）	517,398	3	525,019	3
11XX	Total current assets	9,954,277	54	11,745,903	61
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income-non-current（Note 4 and 8）	77,173	1	106,209	1
1535	Financial assets at amortized cost-non-current（Note 4, 9 and 35）	1,514,994	8	-	-
1550	Investments accounted for using equity method（Note 4 and 13）	979,759	6	816,317	4
1600	Property, plant and equipment（Note 4, 14, 34 and 35）	4,933,403	27	5,561,614	29
1755	Right-of-use assets（Note 4, 15 and 35）	471,882	3	352,024	2
1760	Investment properties（Note 4, 16 and 35）	61,694	-	60,820	-
1805	Goodwill（Note 4）	12,996	-	12,996	-
1821	Other intangible assets（Note 4）	12,203	-	13,640	-
1840	Deferred tax assets（Note 4 and 28）	222,414	1	322,206	2
1920	Refundable deposits（Note 4）	29,461	-	23,418	-
1975	Net confirmed welfare assets-non-current（Note 4 and 24）	20,322	-	2,077	-
1990	Other non-current assets（Note 18）	42,600	-	114,685	1
15XX	Total non-current assets	8,378,901	46	7,386,006	39
1XXX	Total assets	$ 18,333,178	100	$ 19,131,909	100

Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans（Note 19 and 35）	$ 4,298,007	23	$ 6,004,949	31
2110	Short-term notes payable（Note 19）	739,506	4	739,511	4
2120	Financial liabilities measured at fair value through profit or loss-current (Note 4 and 7）	-	-	120	-
2150	Notes payable（Note 20）	145,004	1	144,652	1
2160	Notes payable-related parties（Note 34）	88,896	1	63,956	-
2170	Accounts payable（Note 20）	438,540	2	787,521	4
2180	Accounts payable-related parties（Note 34）	152,779	1	129,756	1
2219	Other payables（Note 21）	662,997	4	585,182	3
2220	Other payables-related parties（Note 34）	25,849	-	153,238	1
2230	Current tax liabilities（Note 4 and 28）	35,914	-	2,557	-
2280	Lease liabilities-current（Note 4 and 15）	15,125	-	8,523	-
2322	Long-term loans due within one year（Note 19 and 35）	279,991	2	199,251	1
2365	Refund liabilities-current（Note 23）	8,935	-	5,213	-
2399	Other current liabilities（Note 22 and 26）	161,424	1	136,416	1
21XX	Total current liabilities	7,052,967	39	8,960,845	47
	Non-current liabilities				
2541	Long-term bank loans（Note 19 and 35）	4,746,915	26	4,651,851	24
2580	Lease liabilities-non-current（Note 4 and 15）	46,437	-	4,624	-
2570	Deferred tax liabilities（Note 4 and 28）	58,342	-	41,391	-
2630	Long-term deferred income（Note 4 and 22）	659,972	4	72,032	1
2645	Deposits received	51,628	-	2,243	-
25XX	Total non-current liabilities	5,563,294	30	4,772,141	25
2XXX	Total liabilities	12,616,261	69	13,732,986	72
	Equity attributed to the owners of the Company（Note 25）				
3100	Stocks				
3110	Common stocks	3,845,657	21	3,845,657	20
3200	Capital surplus	581,654	3	676,850	3
	Retained earnings				
3310	Legal reserve	138,909	1	121,649	1
3320	Special reserve	557,298	3	401,956	2
3350	Unappropriated retained earnings	373,488	2	172,602	1
3300	Total retained earnings	1,069,695	6	696,207	4
3400	Other equity	(327,892)	(2)	(564,277)	(3)
31XX	Total equity of company owners	5,169,114	28	4,654,437	24
36XX	Non-controlling interests（Note 25）	547,803	3	744,486	4
3XXX	Total equity	5,716,917	31	5,398,923	28
	Total liabilities and equity	$ 18,333,178	100	$ 19,131,909	100

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

Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

(In thousands of New Taiwan Dollars)
(Except Earnings (net loss) Per Share)

Code		2022		2021	
		Amount	%	Amount	%
	Operating income（Note 4, 26 and 34）				
4100	Net sales revenue	$ 12,136,640	99	$ 10,313,762	98
4800	Other operating income	140,361	1	161,923	2
4000	Total operating income	12,277,001	100	10,475,685	100
	Operating costs (Note 11, 24, 27 and 34)				
5110	Cost of goods sold	10,494,287	86	8,871,900	85
5900	Gross operating income	1,782,714	14	1,603,785	15
5920	Realized sales benefits（Note 4）	-	-	26	-
5950	Gross realized operating income	1,782,714	14	1,603,811	15
	Operating expenses (Note 10, 24 and 27)				
6100	Marketing expenses	703,478	6	543,464	5
6200	General and administrative expenses	703,453	6	485,837	5
6300	Research and development expenses	207,769	1	230,732	2
6450	Expected credit loss	19,130	-	19,941	-
6000	Total operating expenses	1,633,830	13	1,279,974	12
6500	Net other income and expenses（Note 27 and 34）	(17,861)	-	47,228	1
6900	Operating income	131,023	1	371,065	4
	Non-operating income and expenses（Note 4, 7, 27 and 34）				
7100	Interest income	53,266	-	21,432	-
7190	Other income	135,763	1	173,970	2
7020	Other benefits and losses	329,755	3	(204,258)	(2)
7050	Finance costs	(187,132)	(1)	(152,354)	(2)
7060	Share of losses of affiliates using the equity method	30,347	-	(15,842)	-
7000	Total non-operating income and expenses	361,999	3	(177,052)	(2)
7900	Net profit before tax	493,022	4	194,013	2
7950	Income tax expenses (benefits)（Note 4 and 28）	86,790	1	(1,909)	-
8200	Net profit for the year	406,232	3	195,922	2
	Other comprehensive income				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan （Note 24）	$ 7,875	-	($ 12,373)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive income (Note 25)	(60,868)	-	(62,184)	(1)

（Continued）

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Code		2022 Amount	2022 %	2021 Amount	2021 %
8320	Share of other comprehensive income of affiliates using the equity method（Note 25）	(1,154)	-	(2,082)	-
8349	Income tax related to items not reclassified（Note 28）	(1,256)	-	2,392	-
		(55,403)	-	(74,247)	(1)
	Items that may be reclassified to profit or loss in the future				
8361	Exchange differences on conversion of financial statements of foreign operations（Note 25）	322,688	3	(69,314)	-
8370	Share of other comprehensive income of affiliates and joint ventures using the equity method（Note 25）	46,355	-	(11,820)	-
8399	Income tax related to items that may be reclassified（Note 25 and 28）	(67,706)	(1)	14,447	-
8360		301,337	2	(66,687)	-
8300	Other comprehensive income for the year (net after tax)	245,934	2	(140,934)	(1)
8500	Total comprehensive income for the year	$ 652,166	5	$ 54,988	1
8600	The net profit is attributed to:				
8610	Owners of the Company	$ 367,058	3	$ 182,988	2
8620	Non-controlling interests	39,174	-	12,934	-
		$ 406,232	3	$ 195,922	2
8700	The total comprehensive income is attributed to:				
8710	Owners of the Company	$ 599,977	5	$ 64,828	1
8720	Non-controlling interests	52,189	-	(9,840)	-
		$ 652,166	5	$ 54,988	1
	Earnings per share（Note 29）				
9710	Basic	$ 0.95		$ 0.48	
9810	Diluted	$ 0.95		$ 0.48	

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

Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

(In thousands of New Taiwan Dollars, Except Dividends per Share)

Code		Equity attributed to the owners of the Company										
				Retained earnings			Other equity					
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on conversion of financial statements of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total	Grand total	Non-controlling interests	Total equity
A1	Balance at 1 January 2021	$ 3,845,657	$ 791,558	$ 283,732	$ 401,956	($ 162,083)	($ 512,671)	$ 56,168	($ 456,503)	$ 4,704,317	$ 750,466	$ 5,454,783
	Appropriations of 2020 earnings（Note 25）											
B13	Legal reserve to offset accumulated deficit	-	-	(162,083)	-	162,083	-	-	-	-	-	-
C7	Changes in equity of investment in affiliates for using equity method	-	661	-	-	-	-	-	-	661	-	661
C15	Cash dividends from capital surplus to shareholders－$0.3 per share（Note 25）	-	(115,369)	-	-	-	-	-	-	(115,369)	-	(115,369)
D1	Net income for the year ended December 31, 2021	-	-	-	-	182,988	-	-	-	182,988	12,934	195,922
D3	Other comprehensive profit (loss) after tax for the year ended December 31, 2021	-	-	-	-	(10,446)	(59,350)	(48,364)	(107,714)	(118,160)	(22,774)	(140,934)
D5	Total comprehensive profit (loss) after tax for the year ended December 31, 2021	-	-	-	-	172,542	(59,350)	(48,364)	(107,714)	64,828	(9,840)	54,988
O1	Cash dividends from the subsidiaries（Note 25）	-	-	-	-	-	-	-	-	-	(9,271)	(9,271)
O1	Non-controlling interests increase（Note 25）	-	-	-	-	-	-	-	-	-	13,131	13,131
Q1	Disposal of equity instruments measured at fair value through other comprehensive income（Note 25）	-	-	-	-	60	-	(60)	(60)	-	-	-
Z1	Balance at December 31, 2021	3,845,657	676,850	121,649	401,956	172,602	(572,021)	7,744	(564,277)	4,654,437	744,486	5,398,923
	Appropriations of 2021 earnings（Note 25）											
B1	Legal reserve	-	-	17,260	-	(17,260)	-	-	-	-	-	-
B3	Special reserve	-	-	-	155,342	(155,342)	-	-	-	-	-	-
C7	Changes in equity of investment in affiliates for using equity method	-	946	-	-	(153)	-	-	-	793	-	793
C15	Cash dividends from capital surplus to shareholders－$0.25 per share（Note 25）	-	(96,142)	-	-	-	-	-	-	(96,142)	-	(96,142)
D1	Net income for the year ended December 31, 2022	-	-	-	-	367,058	-	-	-	367,058	39,174	406,232
D3	Other comprehensive profit (loss) after tax for the year ended December 31, 2022	-	-	-	-	7,105	265,142	(39,328)	225,814	232,919	13,015	245,934
D5	Total comprehensive profit (loss) after tax for the year ended December 31, 2022	-	-	-	-	374,163	265,142	(39,328)	225,814	599,977	52,189	652,166
M3	Subsidiary liquidation and returned shares（Note 30）	-	-	-	-	-	12,218	-	12,218	12,218	(329,498)	(317,280)
O1	Changes in equity to the subsidiary ownership	-	-	-	-	(2,169)	-	-	-	(2,169)	2,169	-
O1	Cash dividends from the subsidiaries（Note 25）	-	-	-	-	-	-	-	-	-	(9,807)	(9,807)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income（Note 25）	-	-	-	-	1,647	-	(1,647)	(1,647)	-	-	-
T1	Non-controlling interests Increase（Note 25）	-	-	-	-	-	-	-	-	-	88,264	88,264
Z1	Balance at December 31, 2022	$ 3,845,657	$ 581,654	$ 138,909	$ 557,298	$ 373,488	($ 294,661)	($ 33,231)	($ 327,892)	$ 5,169,114	$ 547,803	$ 5,716,917

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

Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

De Licacy Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

(In thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before tax	$ 493,022	$ 194,013
A20000	Adjustments for:		
	Revenues/Expenses		
A20100	Depreciation	671,024	647,023
A20200	Amortization	1,785	1,827
A20300	Expected credit loss	19,130	19,941
A20400	Loss (Gain) on financial assets and liabilities measured at fair value through profit or loss	(3,145)	15,798
A20900	Finance costs	187,132	152,354
A21200	Interest income	(53,266)	(21,432)
A21300	Dividend income	(11,105)	(2,334)
A22300	Share of losses of affiliates using the equity method	(30,347)	15,842
A22500	Loss (Gain) on disposal of property, plant and equipment	17,861	(47,228)
A23100	Loss on investments disposal	16,248	-
A23200	Loss on disposal of subsidiaries	10,830	-
A23700	Inventory valuation and obsolescence losses	134,949	33,199
A24000	Realized sales benefits	-	(26)
A24100	Unrealized foreign exchange losses (profits)	(317,559)	38,893
A29900	Allowance (reversal) for refund liability	3,734	1,541
A29900	Gains from lease amendment	-	(224)
	Changes in operating assets and liabilities		
A31130	Notes receivable (include related parties)	80,575	(106,129)
A31150	Accounts receivable (include related parties)	99,582	(55,793)
A31180	Other receivables (include related parties)	25,594	16,208
A31200	Inventory	(17,409)	(973,293)
A31230	Prepayments	(304,972)	(33,646)
A31240	Other current assets	7,621	30,781
A32130	Notes payable	12,456	102,265
A32150	Accounts payable	(38,760)	136,270
A32160	Accounts payable-related parties	23,023	31,473
A32180	Other payables	95,308	48,618
A32190	Other payables-related parties	59,740	(8,298)
A32230	Other current liabilities	169,267	22,248
A32240	Net confirmed welfare assets-non-current	(10,369)	(9,439)
A32990	Long-term deferred income	647,322	15,481
A33000	Cash generated from operations	1,989,271	265,933
A33100	Interest received	52,574	19,339
A33200	Dividends received	11,105	2,334
A33300	Interest paid	(172,659)	(154,074)
A33500	Income tax paid	(5,753)	(20,613)
AAAA	Cash generated from operations (net)	1,874,538	112,919
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income-current	(129,954)	(88,650)
B00020	Disposal of financial assets measured at fair value through other comprehensive income-current	35,332	14,656
B00100	Acquisition of financial assets measured at fair value through profit or loss	(909,761)	(146,867)
B00200	Disposal of financial assets measured at fair value through profit or loss	1,018,742	16,822
B00040	Acquisition of financial assets at amortized cost	(11,647,795)	(10,521,071)
B00060	Financial assets at amortized cost repayment of principal upon maturity	12,149,554	9,884,632

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Code		2022	2021
B01800	Acquisition of investments accounted for using equity method	($ 111,178)	($ 88,332)
B02300	Net cash flows from subsidiary liquidation	58,554	74,012
B02400	Net returned payments for shares from subsidiary liquidation	10,016	33,492
B02700	Acquisition of property, plant and equipment	(626,456)	(288,921)
B02800	Proceeds from disposal of property, plant and equipment	27,985	112,113
B03700	Increase in refundable deposits	(18,540)	(8,219)
B03800	Decrease in refundable deposits	12,795	1,849
B04100	Increase in other receivables	(50,000)	(40,000)
B04200	Decrease in other receivables	40,000	-
B04400	Decrease in other receivables-related parties	-	8,009
B04500	Acquisition of intangible assets	(169)	(99)
B05100	Acquisition of right-of-use assets	(92,441)	-
B05350	Disposal of right-of-use assets	-	1,773
B05500	Proceeds from disposal of investment properties	-	7,452
B07100	Increase in prepayments for equipment	-	(86,410)
B07200	Decrease in prepayments for equipment	18,114	-
B06800	Decrease in long-term receivables	-	732
B07600	Received dividends from associated companies	5,640	-
BBBB	Net cash used in investing activities	(209,562)	(1,113,027)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	25,339,366	27,655,183
C00200	Decrease in short-term loans	(26,916,446)	(28,039,284)
C00500	Increase in short-term notes payable	9,613,631	18,280,607
C00600	Decrease in short-term notes payable	(9,613,636)	(18,250,597)
C01600	Loan of long-term debt	6,768,767	7,226,476
C01700	Repayment of long-term debt	(6,580,982)	(5,834,283)
C03000	Increase in deposits received	50,713	3,828
C03100	Decrease in deposits received	(910)	(4,050)
C03700	Increase in other payables-related parties	40,389	184,476
C03800	Decrease in other payables-related parties	(116,824)	(205,544)
C04020	Repayment of the principal portion of lease liabilities	(51,190)	(60,449)
C04500	Cash dividends	(96,142)	(115,369)
C05400	Cash capital increase of subsidiary	88,264	13,131
C05800	Payment of cash dividends of non-controlling interests	(9,807)	(9,271)
CCCC	Net cash generated from (used in) financing activities	(1,484,807)	844,854
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREGIN CURRENCIES	126,189	(22,657)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	306,358	(177,911)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,045,569	1,223,480
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,351,927	$ 1,045,569

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

Chairman: Chia-Min Yeh　　Manager: Chia-Min Yeh　　Accounting Manager: Yi-Nung Yu

Case 2： Board of Directors

Cause of action：Herewith is proposal for the 2022 Earnings Distribution of the company, please acknowledge.

Explanation： (1) 2022 Earnings Distribution Statement of the Company has been completed in edition as follows.

(2) Approved by Board of Directors of the Company on April 25, 2023.

DE LICACY INDUSTRIAL CO., LTD.

Earnings Distribution Statement

2022

Unit: New Taiwan Dollar

ITEM	AMOUNT	AMOUNT
Undistributed surplus, beginning of the period		$ 0
Plus: Net income after tax, current period	$ 367,057,815	
Plus: Accumulated gains and losses from the disposal of equity instruments measured at fair value through other comprehensive gains and losses are directly transferred to retained earnings	1,647,805	
Plus: Defined benefit plan remeasurements recognized in retained earnings	7,105,300	
Less: Retained earnings adjusted for investments using the equity method	(2,322,423)	
The net profit after tax of the current period plus the amount of items other than the net profit after tax of the current period included in the undistributed surplus of the current year		373,488,497
Less: Provision of statutory surplus reserve（10% After-tax）		(37,348,850)
Plus: Rotation of special surplus reserve		229,405,223
Distributable surplus for the current period		565,544,870
Distributed Items:		
shareholder dividend (NT$0.4 per share)-paid in cash		153,826,261
shareholder dividend (NT$0.6 per share)-paid in shares		230,739,390
Undistributed surplus, end of the period		180,979,219

Note 1: The base date for distribution of cash dividends and matters related to the distribution of cash dividends shall be determined by the Board of Directors after the resolution of the general shareholders' meeting.

Note 2: If the cash dividend is less than NT$1, it will be unconditionally rounded off for calculation, and the remaining cash dividend amount will be transferred to the employee welfare committee.

Note 3: The number of shareholders' dividend distributable shares is calculated based on the number of outstanding shares of 384,565,652 shares. If there is a change in the Company's share capital that may affect the number of outstanding shares and the dividend rate of shareholders needs to be revised, it shall be proposed to the general shareholders' meeting for conduct with authorization of the chairman of the Board of Directors.

Note 4: According to the Ministry of Finance's April 30 1998 Tai Cai Shui Letter No. 871941343, when distributing surplus, the method of individual identification shall be adopted. The principle of this surplus distribution is to give priority to the distribution of 2022 surplus.

Person in charge: Ye Jiaming Manager: Ye Jiaming Accounting Supervisor: You Yineng

Resolution:

Matters for Discussion

Case 1: Submitted by Board of Directors

Explanatory Notes: Proposal in the amendment of Company's "Regulations governing Procedure for Board of Directors Meeting," please ratify

Description: 1. The Company's "Regulations governing Procedure for Board of Directors Meeting" amended and approved for recordation per 5 August 2022 Letter No.:Jin-Guan-Certificate No. 1110383263 of the Financial Supervisory Commission, Executive Yuan.

2. Comparison Table of the amendments are as follows:

Article No.	Before	After	Explanation
Article 2	The reasons for calling a Board of Directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be affected by means of electronic transmission, after obtaining prior consent from the recipients thereof.	The reasons for calling a Board of Directors meeting shall be notified to each director and supervisor at least seven days in advance. The notice set forth in the preceding paragraph may be affected by means of electronic transmission, after obtaining prior consent from the recipients thereof. All matters set out in the subparagraphs of Article 10, paragraph 1, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extraordinary motion.	In view of the fact that the items in the first paragraph of Article 10 are material matters related to the Company's operation, the reasons for the convening shall be stated, so that the directors have sufficient information and time to evaluate their proposals before making decisions. However, provided with condition under such deletion, it is stipulated that the items in the first paragraph of Article 10 should be listed in the reason for the convening, and cannot be raised as an interim motion. If emergency, the Company may propose to the Board of Directors for discussion The meeting shall be called at any time according to the provisions of the second paragraph and shall not affect the normal operation of the Company's business or operation. The convening of the special meeting of Board of Directors shall still be held at a place and time convenient for the directors to attend, and according to the regulations, the content of the Board of Directors' meeting, meeting materials and the convening notice shall be sent to the members of the Board of Directors.
Article 3	A Board of Directors shall meet at least quarterly. Where a meeting of the Board of Directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes	A Board of Directors shall meet at least quarterly. Where a meeting of the Board of Directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes	Increase Item 2 and 3.

Article No.	Before	After	Explanation
	representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. Where a meeting of the Board of Directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.	representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. Where a meeting of the Board of Directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.	
Article 10	A company shall submit the following items for discussion by the Board of Directors: 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. The appointment or discharge of a financial , accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition. 8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. Omitted	A company shall submit the following items for discussion by the Board of Directors: 1. Omitted 2. Omitted 3. Omitted 4. Omitted 5. Omitted 6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors. 7. The appointment or discharge of a financial, accounting, or internal audit officer. 8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition. 9. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority. Omitted	The election or dismissal of the chairman belongs to Company's material matter; therefore, Article 6 is stipulated to clearly establish the election or dismissal of the chairman shall be submitted to Board of Directors for discussion.

Resolution:

Case 2: Submitted by Board of Directors

Explanatory Notes: Proposal in the amendment of Company's "Procedures for Ethical Management and Guidelines for Conduct," please ratify

Description: 1. Company's "Procedures for Ethical Management and Guidelines for Conduct amended per 13 February 2020 Public Announcement No. Taiwan-Stock-Governance-1090002299 of the Taiwan Stock Exchange Corporation

2. Comparison Table of the amendments are as follows:

Before	After	Explanation
Article 5 (Responsible unit and duties) The Company shall designate the corporate committee as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the Board of Directors: 1. Omitted 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Omitted 4. Omitted 5. Omitted 6. Omitted 7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.	Article 5 (Organization and duties) The directors of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. The Company shall designate the audit department as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the Board of Directors: 1. Omitted 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Omitted 4. Omitted 5. Omitted 6. Omitted	1. A designated unit shall be set up to provide sufficient resources and competent personnel and shall report to Board of Directors with a report frequency of no less than one year. 2. Regulations shall stipulate for the major scope of a designated unit's handling to include regular analysis and evaluation of the risk of unethical conduct within the scope of business. 3. Regulations shall stipulate for policy, statement, commitment, and implementation of ethical corporate management, and the documented information shall be made and kept in proper storage.
Article 12 (Recusal) When a director , supervisor, officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person	Article 12 (Policy of Prevention of conflicts of interest) When a director , supervisor, officer or other stakeholder of the Company attending or present at a	1. In line with the Article 16, paragraph 1 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the

Before	After	Explanation
represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.	board meeting, or the juristic person represented thereby, has a stake in a proposal under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.	text of paragraph 1 of this article shall be revised as appropriate. 2. To stipulate paragraph 2 of this Article, in line with Article 206, paragraph 3 of the Company Act, stating Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. 3. Concurrent paragraph 2 was moved to paragraph 2, with content remaining unmodified. 4. concurrent paragraph 3 was moved to paragraph 4, with content remaining unmodified.
Article 14 (Prohibition against conduct of unfair competition and prevention of damage caused by products and services to stakeholders) Omitted	Article 14 (Prohibition against unfair competition and relative prevention of damage caused by products and services to stakeholders) Omitted	This Article is in line with Article 15 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” for the prohibition against conduct of unfair competition, therefore the title was amended.
Article 17 (Compliance and announcement of policy of ethical management) The Company shall request its directors and senior management to issue a statement of compliance with	Article 17 Disclosure of policy of ethical management	To stipulate the request to directors and senior management to issue a statement of compliance with the ethical corporate management policy, and require employees to abide by the code of conduct in the terms of employment.

Before	After	Explanation
the ethical management policy and require in the terms of employment that employees comply with such policy. The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	
Article 22 Handling of unethical conduct by personnel of the Company As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward of not more than NT$30,000 depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. A whistleblower shall at least furnish the following information: 1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached. 2. Omitted 3. Omitted Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters: 1. Omitted 2. Omitted	Article 22 Report and Disciplinary action As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward of not more than NT$30,000 depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. A whistleblower shall at least furnish the following information: 1. the whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached. 2. Omitted 3. Omitted Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing, and the responsible unit of the Company observes the following procedure: 1. Omitted 2. Omitted	In line with Article 23 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” to allow whistleblowing, and after completing the investigation of the reporting incident, appropriate follow-up actions shall be implemented. Amendments to the subparagraph one of paragraph 2 of this article, the text of paragraph 4 and paragraph 3 of the same paragraph.

Before	After	Explanation
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. 4. Omitted 5. Omitted 6, Omitted	3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will refer said person to institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. 4. Omitted 5. Omitted 6, Omitted	
Article 24 Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures Omitted	Article 24 Audit and disciplinary measures taken against personnel with violation Omitted	Item 1 of this Article is in relations to internal publishment; therefore, the title of this article was amended in accordance.

Resolution:

Case 3: Submitted by Board of Directors

Cause of action: Proposal in discussion for transfer of surplus into capital increase and issuance of new shares, please ratify

Explanation:

1. To enrich working capital and for the need of future business development, shareholder dividends of NT$230,739,390 was proposed for allocation from the distributable surplus in 2022, and transfer of surplus into capital increase and issuance of new shares for NT$23,073,939 shares, with a par value of NT$10 per share.
2. The base date for distribution of stock dividends and matters related to the distribution of stock dividends shall be determined by the Board of Directors after the resolution of the general meeting of shareholders and the approval of the competent authority.
3. According to the shareholding proportion by shareholders listed in the shareholder register on the base day of capital increase and allotment, 60 shares free of charge shall be distributed for every thousand shares, while the allotment of odd and less than one share shall be done by the shareholder within five days from the date of account transfer. If the allotment not conducted within the time limit or if the amount of balance of such distributable surplus profit is less the par value of one share, it shall be paid in cash in compliance with Article 240 of the Company Act, with round up to NT$1, and the shares shall be purchased by designated person by the authority of the chairman.
4. The right and obligation of the new shares issued in this capital increase are same as those of the original shares.
5. Thereafter, if there is change to company's share capital (including but not limited to factors such as capital increase or treasury stock capital reduction) before the base date of capital increase, which affects the total number of outstanding shares, resulting in a change in the ratio of allotment of shareholders, the adjustment shall be proposed to the shareholders' meeting for the authorization by the chairman.
6. If there are unfinished matters in this capital increase due to changes in laws or changes in the competent authority's approval, the chairman of the Board of Directors shall be fully authorized for handling.

Resolution:

Elections

Case 1: Submitted by Board of Directors

Cause of action: Proposal in election of 7 directors (including 4 independent directors), please elect

Explanation: 1. The term of office of the concurrent directors of the Company is due on June 10, 2023. Nevertheless, in order to cooperate with the convening of 2023 general shareholders' meeting and for the election of 7 directors (including 4 independent directors), the original term of office of directors (including 4 independent directors) shall be advanced to be dismissed when newly appointed directors are elected from the 2023 general shareholders' meeting.

2. The election of directors is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, and that shareholders shall elect directors from among the those listed in the slate of director (including independent directors) candidates. The educational background, experience and other relevant information of the director (including independent directors) candidates are as follows:

Director (including independent directors) candidates list

Title	Nominee list	Education	Experience	Current service	Holding shares
Director	YEH CHIA MING	MA, University of Southern Califomia	Chairman, DE LICACY INDUSTRIAL CO., LTD.	Chairman, DE LICACY INDUSTRIAL CO., LTD.	3,288,181
Director	YEH CHIA HAO	MA, NEW YORK UNIVERSITY	Vice Chairman, DE LICACY INDUSTRIAL CO., LTD.	Vice Chairman, DE LICACY INDUSTRIAL CO., LTD.	2,779,445
Director	Fuhua Investment Co., Ltd Representative: You Yineng	BA, Accounting, Tamkang University MA, Textiles & Clothing, FJU	Executive Vice President, DE LICACY INDUSTRIAL CO., LTD.	Executive Vice President, Accounting Supervisor, DE LICACY INDUSTRIAL CO., LTD.	30,000,994
Independent Director	Huang Junren	BA, Chemistry, HuaXia Technology	Chairman, HanPin International Co., Ltd. G.M., WELL UNIQUE ENTERPRISE CO., LTD.	G.M., WELL UNIQUE ENTERPRISE CO., LTD.	66,000
Independent Director	Su Baicheng	BA, Application Chemistry, Tamkang University	G.M, HONE-STRONG INDUSTRIAL CO., LTD	G.M, HONE-STRONG INDUSTRIAL CO., LTD Chairman, TIANHE INVESTMENT CO., LTD	12,762
Independent Director	HUANG SHIH YING	BA, Accounting, Tamkang University MA, Accounting, NCKU	Manager, Audit Dept. DELOITTE TAIWAN Accounting Firm CPA, YING-ZHENG Accounting Firm Independent Director, TM TECHNOLOGY, INC.	CPA, YING-ZHENG Accounting Firm Independent Director, TM TECHNOLOGY, INC.	0
Independent Director	TSAI LI JU	BA, Law,NCHU	Partner Lawyer, RUEISHIN Accounting Firm	Partner Lawyer, RUEISHIN Accounting Firm	0

Resolution:

Other Motions

Case 1: Submitted by Board of Directors

Cause of action: Proposal in discussion for removal of ban of non-competition for newly appointed directors, please ratify

Explanation: 1. In compliance with paragraph 1, Article 209 of the Company Act, " A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval." To cooperate with actual needs, the newly appointed directors, legal directors or representatives of the Company may, from the date of the term of office, does anything for himself or on behalf of another person within the scope of the Company's business with no limit of Article 209 of the Company Act.

2. Proposal in the approval for removal of ban of non-competition for newly appointed directors since the beginning of term of office by the election of this general shareholders' meeting.

Resolution:

Extraordinary motions

Articles of DE LICACY INDUSTRIAL CO., LTD.

Chapter 1 General Provisions

Article1:The Company is organized in accordance with the provisions of the Company Law and named as DE LICACY INDUSTRIAL CO., LTD.

Article 2: The businesses operated by the Company are as follows:

1. Printing and dyeing, finishing, processing, manufacturing and trading business of Plisse', blended fabric, jacquard, check, stretch fabric, chemical fabric, polyester staple fiber, Silk and other textiles.
2. The business of manufacturing, trading, processing and import and export trade of the products mentioned in the preceding paragraph and related yarn materials.
3. C802020 Manmade Fiber Manufacturing.
4. F104010 Wholesale of Fabrics.
5. F107020 Wholesale of Dyes and Pigments.
6. F113100 Wholesale of Pollution Controlling Equipment.
7. F204010 Retail sale of Fabrics.
8. H701040 Specific Area Development.
9. H701020 Industrial Factory Development and Rental.
10. C306010 Wearing Apparel.
11. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company has a head office in Tainan City, and if necessary, the Board of Directors may decide to set up domestic or abroad branches.

Article 3-1: When the Company reinvests in another company and becomes a limited liability shareholder, the total amount of investment shall not exceed 40% of the paid-in share capital as stipulated in Article 13 of the Company Act, but shall be determined by the Board of Directors for agreement.

Article 3-2: The Company may endorse and guarantee externally for business needs, and its operations shall be handled in accordance with the Company's Management of Endorsement and Guarantees.

Article 4: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5: The total capital of the Company is set at NT$4.8 billion, divided into 480 million shares, all of which are ordinary shares, and the Board of Directors is authorized to issue them in installments as needed.

Article 6: The Company’s stocks are all registered, signed or stamped by three or more directors, and issued after obtaining visas in accordance with the law. When the Company issues new shares, it may print or exempt shares based on the total number of shares issued.

The shares issued by the Company may be exempt from printing shares and should be registered with TDCC.

Article 7: The Company's stock affairs are handled in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies", relevant laws and regulations, and the regulations of the competent authority.

Article 8: The period during which the Company ceases stock transfer shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

Chapter 3 Shareholders’ meeting

Article 9: The Company’s shareholders’ meeting is divided into the following two categories:

1. Regular shareholders' meeting: it is convened at least once a year, convened by the Board of Directors, and held within six months after the end of each fiscal year.
2. Temporary shareholders' meeting: convened when necessary in accordance with the provisions of the Company Act.

Article 10: The procedures for convening the shareholders' meeting of the Company shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

Article 11: When the shareholders’ meeting is convened by the Board of Directors, the chairman of the board shall be the chairman. When the chairman of the board asks for leave or is unable to exercise his authority for some reason, his agency shall be handled in accordance with Article 208, Paragraph 3 of the Company Act.

When the shareholders' meeting is convened by a convening person other than the Board of Directors, the convening person shall be the chairman, and if there are two or more convening persons, one of the other persons shall be elected as the chairman.

Article 12: When a shareholder is unable to attend the shareholders’ meeting for some reason, it shall be handled in accordance with Article 177 of the Company Law and the "Regulations Governing the Use of Proxies for Attendance at Shareholders’ meetings of Public Companies" issued by the competent authority.

Article 13: The voting rights of shareholders shall be one right per share.

Article 14: Unless otherwise provided by relevant laws and regulations, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be implemented with the approval of more than half of the voting rights of the shareholders present. According to the regulations of the competent authority, shareholders of the Company can also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and related matters are handled in accordance with laws and regulations.

Article 15: The meeting minutes of the shareholders' meeting shall be signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The minutes are kept in the Company together with the signature book of the shareholders present and the proxy attendance letter.

The meeting minutes may be produced and distributed in electronic form.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

The retention period of the signature book of attending shareholders and the power of attorney for proxy attendance shall be at least one year unless otherwise provided by the Company Act.

The distribution of the minutes of the shareholders' meeting of the Company can be done in the form of announcement.

Chapter 4 Directors and Audit Committee

Article 16: The Company has five to nine directors, all of whom are elected by the shareholders' meeting who are capable of conduct. The term of office is three years, and they may be re-elected. The number of independent directors established in the number of directors in the preceding paragraph shall not be less than two, and shall not be less than one-fifth of the number of directors. The election of directors adopts the candidate nomination system in Article 192 of the Company Act, and the shareholders shall select from the list of candidates for directors. The method of accepting the nomination of director candidates, announcements and other related matters shall be handled in accordance with relevant laws and regulations of the Company Act and the Securities Exchange Law. However, the total number of registered shares held by all directors shall be handled in accordance with the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" issued by the competent authority.

Article 16-1: The Company shall set up an audit committee in accordance with Article 14-4 of the Securities Exchange Act, and the audit committee shall be

responsible for implementing the supervisory authority of the Company Act, the Securities Exchange Act and other laws. The audit committee shall be composed of all independent directors with no less than three persons, one of whom has accounting or financial expertise, and one of them shall be the convener. The resolution of the audit committee shall be approved by more than half of all members.

Article 17: When the vacancy of directors reaches one-third, the Board of Directors shall convene a by-election at an interim meeting of shareholders within 60 days.

Article 18: When the term of office of a director expires and is not time for re-election, his executive duties shall be extended until the time when the re-elected director takes office.

Article 19: The directors organize the Board of Directors. The Board of Directors shall, with the presence of more than two-thirds of the directors and the approval of more than half of the directors present, elect one of them as chairman, and may elect one of them as vice chairman according to actual needs.

The chairman of the Board of Directors performs all affairs of the Company in accordance with laws, regulations, resolutions of the shareholders' meeting or the Board of Directors.

Article 20: The Company's operating policies and other important matters shall be resolved by the Board of Directors. Except for the first meeting of the Board of Directors in accordance with Article 203 of the Company Act, the Board of Directors shall convene and serve as the chairman of the Board of Directors. When applying for leave or unable to exercise authority for some reason, the agency shall handle it in accordance with Article 208 of the Company Act.

Article 21: The Board of Directors of the Company shall notify the directors of the meeting seven days before the meeting, and specify the time, place, and reason for the meeting. However, it must be called at any time in case of emergency. The convocation of the Board of Directors may be notified in writing, fax or e-mail.

Board meetings shall be attended by the directors in person. If the directors cannot attend in person, they may appoint other directors to act as agents. Unless otherwise stipulated by the Company Act, the resolution of the Board of Directors shall be attended by more than half of the directors and shall be carried out with the consent of more than half of the directors present.

Article 22: The minutes of the Board of Directors shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all directors within 20 days after the meeting. The minutes shall record the essentials and results of the meetings. The minutes should be kept in the Company together with the signature book of the directors present and the proxy

attendance letter.

Article 23: Deleted.

Article 23-1: When the directors of the Company perform their business, regardless of the Company's business profit or loss, the payment of their remuneration shall be authorized by the Board of Directors to decide. The Board of Directors may agree on the extent of its participation in the Company's operations and the value of its contribution within 15% of the highest-ranking salary stipulated in the Company's salary assessment method. If there is a surplus, remuneration shall be distributed in accordance with the provisions of Article 26.

Chapter 5 Managers

Article 24: The Company may appoint a manager. The appointment, dismissal and remuneration shall be made by the Board of Directors based on the presence of more than half of the directors and a resolution approved by more than half of the directors present.

Chapter 6 Accounting

Article 25: At the end of the fiscal year of the Company, the Board of Directors shall prepare the following books and forms, which shall be submitted to the audit committee for verification 30 days before the meeting of the shareholders' meeting, and then submitted to the shareholders' meeting for recognition.

1. Business report.
2. Financial statements.
3. Proposals for surplus distribution or deficit compensated.

Article 26: (Employee bonus and director bonus)

If the Company makes profits for the year, it shall contribute no less than 4% as employee bonus, which shall be distributed in stock or cash by the resolution of the Board of Directors. The employees of the affiliated company who meet certain conditions shall be granted; the Company can increase the amount of profit. The director bonus shall be no more than 3% contributed by the resolution of the Board of Directors. The distribution of employee bonus and director bonus shall be reported to the shareholders' meeting.

However, when the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then contribute the employee bonus and director bonus in proportion to the preceding paragraph.

Article 26-1: (Shareholder dividend + dividend policy)

If there is a surplus in the Company's annual final accounts, it should first pay taxes to make up for previous years' losses. Ten percent of the second

deposit is a legal reserve, but when the legal reserve has reached the Company's paid-in capital, it must no longer be reported. The rest shall be reported or reversed to the special reserve in accordance with the laws and regulations, and the balance shall be added to the accumulated undistributed surplus of the previous year as the distributable surplus, which shall be retained by the Board of Directors according to the operational needs.

Chapter 7 Supplementary Provisions

Article 27: Any matters not covered in this Articles of Association shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 28: This Articles of Association was established on June 18, 1982.
The first amendment was made on August 10, 1983.
The second amendment was on February 20, 1987.
The third amendment was on September 10, 1988.
The fourth amendment was on October 10, 1989.
The fifth amendment was made on April 30, 1990.
The sixth amendment was on June 20, 1990.
The seventh amendment was on March 23, 1991.
The eighth amendment was on November 4, 1991.
The ninth amendment was on March 2, 1992.
The tenth amendment was on March 27, 1993.
The eleventh amendment was made on April 25, 1994.
The twelfth amendment was made on April 29, 1996.
The thirteenth amendment was on October 18, 1996.
The fourteenth amendment was made on May 7, 1997.
The fifteenth amendment took place on May 25, 1998.
The sixteenth amendment was on May 27, 1999.
The seventeenth amendment was on June 22, 2000.
The eighteenth amendment was on June 21, 2002.
The nineteenth amendment was on June 20, 2003.
The twentieth revision was on June 10, 2005.
The twenty-first revision was on June 22, 2007.
The twenty-second revision was on June 6, 2008.
The twenty-third revision was on June 16, 2009.
The twenty-fourth amendment was made on June 18, 2010.
The twenty-fifth amendment was on June 20, 2012.
The twenty-sixth amendment was on June 20, 2014.
The twenty-seventh amendment was on June 18, 2015.
The twenty-eighth amendment was made on June 17, 2016.
The twenty-ninth amendment was on June 15, 2018.
The thirtieth amendment was on June 21, 2019.

DE LICACY INDUSTRIAL CO., LTD.

Chairman: Ye Jiaming

DE LICACY INDUSTRIAL CO.,LTD.

Rules of Procedure for Shareholders' meetings

Passed by the 2020 regular shareholders' meeting (2021.07.28)

Article 1: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2: The preparation of documents such as the attendance book, meeting handbook and annual report

The Company shall furnish shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Article 3: 1. The convening of shareholders' meetings shall notify each shareholder before 30 days. For shareholders who hold the registered share, it may be done by means of a public announcement made through the MOPS before 30 days; The shareholder's temporary meeting should be notified before 15 days, and for shareholders who hold the registered share, it may be done by means of a public announcement made through the MOPS before 15 days

2.Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1, Article 26-1, Article 43-6 of the Securities Exchange Law, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

3.A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder

proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

4. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

5. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

6. Prior to the date for issuance of notice of a shareholders' meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: The principle of holding a shareholders' meeting place and time

The location of the Company's shareholder will be held in the place of the Company or the place which is convenient for shareholders that is suitable for the shareholders' meeting. The beginning of the meeting shouldn't be earlier than 9 o'clock in the morning or after three pm.

Article 5: Chairman of the Shareholders, attendees

1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors; If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

2. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, its agent is handled in accordance with the third paragraph of Article 208 of the Company Act.

3. There should be more than over half of the directors to participate in the shareholders' meeting convened by the Board of Directors.

4. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 6: 1. For each shareholders' meeting, a shareholder may appoint a proxy to attend the

meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

5. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Article 7: Documentation of a Shareholders' meeting by Audio or Video

The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article

189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8: 1. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards.

2. The chair shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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

Article 9: Discussion of Proposals

1.If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

2.The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

3.The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

4.If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall elect a new chair, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 10: Shareholder speech

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

will be set by the chair.

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

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

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

5. When the government or juristic person is a shareholder, its representative is not limited to one person. When the juristic person was attended by the shareholders' meeting, the juristic person can only assign a representative of one person. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

6. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 11: Election of directors

1. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

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

Article 12: The Meeting Minutes

1. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

2. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

3. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

4.The resolution method in the preceding paragraph is based on the chairman's consultation with shareholders. If the shareholders have no objection to the proposal, it should be stated that "Approved without objection after the chairman consulted all the shareholders present"; However, if shareholders disagree with the proposal and put it to the vote, the method of voting and the number of voting rights and the ratio of the number of voting rights should be stated.

5.The minutes of the shareholders' meeting shall be kept permanently during the Company's existence, and the Company should disclose it when the Company has a website.

Article 13: Public disclosure

1.On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

2.If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 14: Discussion of proposals

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

Article 15: Calculation of voting shares and recusal system

1.Voting at a shareholders' meeting shall be calculated based on the number of shares.

2.With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

3.When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

5.With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting

rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 16: 1.A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

2.Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 17: Recess and resumption of a shareholders' meeting

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

2.If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

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

Article 18: 1. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders.

2.The proposal is approved by the chairman in consultation with all shareholders present who have no objections, and its effect is the same as that passed by voting; if there are objections, the voting shall be adopted in accordance with the provisions of the preceding paragraph.

Article 19: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20: Maintaining order at the meeting place

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

2. The chair may direct the proctors or security personnel to help maintain

order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband.

3. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so.
4. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 21: For undecided matters in this rule, the Company Act and the relevant rules of procedure promulgated by the competent authority shall apply.

Article 22: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

DE LICACY INDUSTRIAL CO.,LTD

Procedures for Election of Directors

Approved by 2018 General Shareholders' meeting (dated June 15, 2018)

Article 1: Elections of directors shall be conducted in accordance with these Procedures.

Article 2: Directors of the Company shall be elected in accordance with the candidate nomination system set out in Article 192-1 of the Company Act, by the shareholders' meeting from among the persons with disposing capacity. The number of directors will be as specified in the Company's articles of incorporation, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 3: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 4: The ballots shall be printed by the Board of Directors and distributed to the shareholders attending the shareholders' meeting, and the number of voting rights of each shareholder shall be marked on the ballots. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 5: The chair shall call to begin the election and appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 6: Shareholders (including natural persons, legal persons and their proxy) write the name, account number or ID number of the electee (representative) and the number of voting rights allocated on the ballot paper at the beginning of the election, and place into the ballot box. However, when a government or legal person is the electee, the name of the elector shall be filled in the name of the government or legal person on the ballot paper, and the name of the government or legal person and the name of its representative may also be filled in; if there are several representatives, the name of the representative shall be filled in respectively.

If shareholders (including natural persons, legal persons and their proxy) intend to elect more than two persons, they shall separately write the name, account number or ID number of each person to be elected (representative), and the number of voting rights allocated.

When shareholders (including natural persons, legal persons and their proxy) elect two persons or more without writing the number of voting rights allocated to each, the average allocated electee (representative) among the total number of voting rights shall be regarded.

If there are candidates with the same name, the shareholder account number or identification document number shall be added for identification.

Article 7: Several voting cabinets shall be set up during the election, and directors shall be divided into two groups of non-independent directors and independent directors to vote at the same time.

Article 8: After the election ballots are casted into the ballot box, the ballot box shall be opened by the poll inspector.

Article 9: The poll inspector shall monitor when the votes are counted.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared in accordance with article 4 of these Procedures.
2. Two or more candidates are listed on the same ballot paper.
3. Voters whose total number of voting rights exceeds the number of voting holding rights.
4. If the name of the person to be elected is a shareholder, the name and account number of the shareholder do not match those recorded in the shareholder register; if the name

of the person to be elected is not a shareholder, the name and ID number are inconsistent after verification.

5. The writing is unclear and indecipherable or has been altered.
6. There are two or more electors whose names are the same and no shareholder account number or identification document number is added for identification.
7. Other words or marks are entered in addition to the name, shareholders account number or ID certification number of the electee, and number of voting rights allotted.
8. A blank ballot is placed in the ballot box.

Article 11: If any doubt about the ballot, the poll inspector may verify its validity, and the invalid ballot shall be, when the counting is completed, counted and marked invalid, and the inspector shall approve the invalidation with signature.

Article 12: The results of the counting of ballots are checked by the inspector after the sum of the valid and invalid votes is correct, and the valid votes and their voting rights and the invalid votes and their voting rights are respectively filled in the record sheet, and then the chairman announces the nomination of the elector.

Article 13: The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14: Matters not stipulated in these measures shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 15: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting. Same applies to the amendment.

DE LICACY INDUSTRIAL CO., LTD

Regulations Governing Procedure for Board of Directors Meetings

Approved by 2018 General Shareholders' meeting (dated June 15, 2018)

Article 1: In order to establish a good governance system for the Board of Directors of the Company, the Regulations are stipulated in accordance with Article 2 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

Article 2: The Board of Directors of the Company shall notify all directors at least seven days in advance, and the time, place and reason for calling the meeting shall be specified. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be by means of writing, fax or electronic transmission (e-mail).

Article 3: A Board of Directors shall meet at least quarterly and the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Article 4: When a meeting of the Board of Directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference. The attendance book forms a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Company.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 5: When holding a meeting of the Board of Directors, a company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 2.

The term "all board directors " as used in the preceding shall be calculated as the number of directors then in office.

Article 6: When the chair at a Board of Directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

Article 7: Agenda items for regular Board of Directors meetings shall include at least the following:

1. Reports:
   A. Minutes of the last meeting and actions arising.
   B. Reporting on important financial and business matters.
   C. Reporting on internal audit activities.
   D. Other important matters to be reported.

2. Discussions:
   A. Items discussed and continued from the last meeting.
   B. Items for discussion at this meeting.
3. Extraordinary motions.

Article 8: One director owns one single voting right. Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 9, paragraph 1.

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

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

Article 9: Directors shall maintain high self-disciplined. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 10: The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:

1. The Company's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders' meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" of the preceding paragraph means a related party as defined in

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

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

In the case of a foreign issuer whose shares have no par value or a par value other than NT$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.

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

Article 11: The designated unit responsible for the board meetings of the Company shall be the management department. The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting. A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.

Article 12: Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

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

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

The resolutions by the Board of Directors shall be made into meeting minutes and be distributed to each director and supervisor within 20 days after the meeting. The meeting minutes may produce and distributed in electronic form.

The meeting minutes of the Board of Directors shall be retained for the duration of the existence of the Company.

The meeting minutes of company’s Board of Directors shall fully and accurately state the matters listed below:

1. The meeting session and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.

7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in Article 9, paragraph 1, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 10, paragraph 5.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in Article 9, paragraph 1, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

Article 13: A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of this Article shall apply mutatis mutandis.

Article 14: With respect to the Board of Directors meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 15: Deleted

Article 16: These Rules of Procedure shall be adopted by the approval of meeting of the Board of Directors and shall be reported to the shareholders' meeting. Same applies to the amendment.

DE LICACY INDUSTRIAL CO., LTD
Procedures for Ethical Management and Guidelines for Conduct

Approved by Board of Directors on May 7, 2018
Submitted for report in general shareholders' meeting on June 15, 2018

Article 1 (Purpose of adoption and scope of application)

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 (Definition and Application)

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 (Unethical conduct and Definition of Counterparty)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name. However, this is not the case when it is a normal social etiquette and is accidental without the risk of affecting specific rights and obligations.

Article 5 (Responsible unit and duties)

The Board of Directors of the Company shall fulfill the duty of care of a good management, urge the Company to prevent dishonest behavior, and review its implementation results and continuous improvement in a timely manner to ensure the implementation of the integrity management policy.

The Company shall designate the Audit Department as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the Board of Directors:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting

out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.

3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 6 (Compliance with relevant laws and regulations)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 7 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits with a market value of NT$3,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT$3,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT$10,000.
7. Property due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be handled in accordance with various handling procedures of the Company.
8. Other conduct that complies with the rules of the Company.

Article 8 (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company’s personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company’s personnel, the personnel shall return or refuse the

benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by Chairman.

Article 9 (Prohibition of and handling procedure for facilitating payments)

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 10 (Procedures for handling political contributions)

Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval and submitted to the Chairman, and a notification given to the responsible unit, and when the amount of a contribution is NT$2 million or more, it shall be made only after being reported to and approved by the Board of Directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 11 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval and submitted to the Chairman, and a notification shall be given to the responsible unit. When the amount is NT$2 million or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the Board of Directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision-making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 12 (Policy of Prevention of conflicts of interest)

When a director, managerial officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 13 (Special unit in charge of confidentiality regime and its responsibilities)

The Company shall set up Research and Development unit in charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 14 (Prohibition against unfair competition and prevention of damage caused by products and services to stakeholders)

The Company shall follow the Fair-Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within 90 days, recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

Article 15 (Establishment of effective accounting systems and internal control systems)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The results of examination in the preceding paragraph shall be periodically reviewed by internal audit personnels and put down in writing in the form of an audit report to be submitted to the Board of Directors.

Article 16 (Prohibition against insider trading and non-disclosure agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 17 (Disclosure of policy of ethical management)

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 18 (Before developing a commercial relationship with another party, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 19 (Prohibition of anti-bribery and bribery)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company’s ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 20 (Regulations and handling procedure of commercial dealings with unethical operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company’s ethical management policy.

Article 21 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical

management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party one percent of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 22 (Report and Disciplinary action)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward of not more than NT$30,000 depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports.

A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation.

Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall submit to the board of directors a report on the

whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 23 (Actions upon event of unethical conduct by others towards the Company)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 24 (Audit and disciplinary measures against personnel of misconduct)

The responsible unit of the Company shall organize one awareness session each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 25 (Education)

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

Article 26 (Information publication)

The Company shall disclose the status of implementation by promotion on their company websites, annual reports, and prospectuses.

Article 27 (Review and amendment of these Procedures and Guidelines)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 28 (Implementation)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after agreement by one-seconds or more of the audit committee and adoption by resolution of the Board of Directors, and shall be delivered and reported to the shareholders' meeting.

When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.

Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

<table>
<tr><td colspan="3">Item</td><td>Year 2022</td></tr>
<tr><td colspan="3">The amount of paid-in capital at the beginning of the period</td><td>NTD$3,845,656,520</td></tr>
<tr><td rowspan="3">Dividend distribution this year</td><td colspan="2">Cash dividend per share</td><td>NTD$0.4</td></tr>
<tr><td colspan="2">Number of allotment shares per share for capital increase from earnings</td><td>0.6 shares</td></tr>
<tr><td colspan="2">Number of allotment shares per share for capital surplus transferred to common stock</td><td>0 shares</td></tr>
<tr><td rowspan="8">Changes in business performance</td><td colspan="2">Business interest</td><td rowspan="13">Not applicable (Note 2)</td></tr>
<tr><td colspan="2">Increase (decrease) ratio of operating profit over the same period last year</td></tr>
<tr><td colspan="2">Net profit after tax</td></tr>
<tr><td colspan="2">Rate of increase (decrease) in net profit after tax compared with the same period last year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Earnings per share increase (decrease) ratio over the same period last year</td></tr>
<tr><td colspan="2">Annual average return on investment (the reciprocal of the annual average P/E ratio)</td></tr>
<tr><td rowspan="5">Pro forma earnings per share and price earnings ratios</td><td rowspan="2">If the surplus is changed to capital increase, the cash dividend will be found</td><td>Proposed earnings per share</td></tr>
<tr><td>Proposed annual average return on investment</td></tr>
<tr><td rowspan="2">If there is not applied for capital reserve transferred to common stock</td><td>Proposed earnings per share</td></tr>
<tr><td>Proposed annual average return on investment</td></tr>
<tr><td>If the capital reserve has not been handled, and the surplus is transferred to capital increase, it will be paid by cash dividends</td><td>Proposed earnings per share</td></tr>
</table>

Note 1: As of the resolution of the 2023 regular shareholders’ meeting

Note 2: According to the Taiwan Financial Certificate (1) Zi No. 00371 letter dated February 1, 2000 (2000) of the Securities and Futures Bureau, the Company is not required to prepare and announce the 2022 financial forecast, so there is no need to disclose this information.

DE LICACY INDUSTRIAL CO., LTD.
Directors' shareholding

1. The Company's paid-in capital is NT 3,845,656,520, and the number of issued shares are 384,565,652 shares.
2. According to Article 26 of the Securities and Exchange Act, all directors (excluding independent directors) should hold a minimum of 15,382,626 shares.
3. The number of shares held by individual and all directors (including independent directors) as recorded in the shareholder register as of the closing date of the shareholders' meeting is as follows:

April 16, 2023

Title	Name	Number of shares held	Shareholding ratio
Chairman of the board	Ye Jiaming	3,288,181	0.86%
director	Fuhua Investment (Stock) Company Representative: Ye Jiahao	30,000,994	7.80%
director	Fuhua Investment (Stock) Company Representative: Ye Weili		
director	Fuhua Investment (Stock) Company Representative: Yu Yineng		
Independent director	Huang Junren	66,000	0.01%
Independent director	Su Baicheng	12,762	0.00%
Independent director	Cai Qijun	0	0.00%
Total number of shares held by non-independent directors		33,289,175	8.66%
Number of shares held by all directors		33,367,937	8.67%

Note: The book closure date of this regular shareholders' meeting is from 2023.04.16 to 2023.06.14.