Stock code：1464

DE LICACY INDUSTRIAL CO., LTD.

Shareholders' Meeting in 2022

Meeting Agenda

Time： June 17, 2022

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

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 2022

Time：9:00 am on Friday, June 17, 2022

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 2021
   (2).2021Annual Business Report
   (3).Report of the 2021 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).2021 business report and proposals for ratification of individual financial statements and consolidated financial statements
   (2).Proposal for recognition of earnings distribution in 2021
5. Discussion matters
   (1).Proposal for discussion on amendment of "Procedures for Acquisition or Disposal of Asset" of the company
   (2).Proposal for discussion on release of the non-competition restrictions of Directors
   (3).Discussion of Capital reserve's cash distribution
6. Extraordinary motions
7. Adjournment

Announcements

Case 1:

Cause of action: Report of the allocation of Directors' remuneration and Employee remuneration in 2021.

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 2021 profit was NT$ 176,513,222, 4% from which was allocated as employees compensation as NT$ 7,060,529 and distributed in cash. 1.5% of 2021 profit was directors' compensation of NT$2,647,698, and net profit before tax was NT$166,804,995 after allocation.

3. The proposal has been reviewed and approved by the fifth meeting of the fourth Session of Compensation Committee on March 24, 2022 and approved by the 14th Board of Directors of the 17th Session on March 24, 2022.

Case 2：

Cause of action: 2021Annual Business Report

Explanation:

2021Annual Business Report

1.Business report of the previous year (2021)

(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	10,313,762	8,407,460	1,906,302	(22.67)
Other operating income	161,923	187,199	(25,276)	(13.50)
Total operating income	10,475,685	8,594,659	1,881,026	21..89
Operating cost	7,871,900	7,350,952	1,520,948	20.69
Operating margin	1,603,785	1,243,707	360,078	28.95
Gain of (Un)Realized sales	26	(26)	52	(200.00)
Realized operating margin	1,603,811	1,243,681	360,130	28.96
Marketing cost	543,464	471,947	71,517	15.15
Management cost	485,837	490,694	(4,857)	(0.99)
Research and development cost	230,732	208,459	22,273	10.68
Loss of expected credit impairment	19,941	60,043	(40,102)	(66.79)
Total operating costs	1,279,974	1,231,143	48,831	3.97
Other income and net expenses	47,228	(9,383)	56,611	(603.34)
Operating profit	371,065	3,155	367,910	11,661.17
Total non-operating income and expenses	(177,052)	(294,957)	117,905	(39.97)
Net profit before tax (net loss)	194,013	(291,802)	485,815	(166.49)
Income tax expense (benefits)	(1,909)	(85,169)	83,260	(97.76)
Net profit (net loss) for the year	195,922	(206,633)	402,555	(194.82)
Other comprehensive profit and loss (net after tax)	(140,934)	(17,771)	(123,163)	693.06
Total comprehensive profit and loss for the year	54,988	(224,404)	279,392	(124.50)

Overview of production and sales:

① Production：The production of spun fabric in 2021 is 14,371 thousand yards, a negative growth of 12.53% compared to 2020's 12,771 thousand yards. Filament fabric is 154,427 thousand yards, which is a negative growth of 26.84% compared

to 2020's 121,748 thousand yards.

② Sales：In 2021, the sales of spun fabric was 14,970 thousand yards, which was a negative growth of 20.35% compared to 2020's 12,439 thousand yards. Filament fabric was 152,386 thousand yards, which was a negative growth of 35.69% compared to 2020's 112,305 thousand yards.

(2) Budget execution status: Not applicable

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

Unit: %

Item			2021	2020
Financial structure	Debt-to-asset ratio（%）		71.78	69.44
	The ratio of long-term funds to fixed assets（%）		180.66	145.82
Solvency	Current ratio（%）		131.08	111.66
	Quick ratio（%）		75.25	68.52
	Interest coverage ratio		2.27	(0.64)
Profitability	Return on assets（%）		1.72	(0.33)
	Return on equity（%）		3.56	(3.53)
	Percentage of paid-in capital（%）	Business interest	9.65	0.08
		Net profit before tax	5.04	(7.59)
	Net profit rate（%）		1.84	(2.40)
	Earnings per share (NTD)		0.48	(0.54)

(4) R&D development status:

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

	2021	The current year ends on April 30, 2022
Expense	230,732 thousand NTD	73,016thousand NTD
% Of turnover	2.20%	1.83%

②.Successfully developed products in 2021

(A) SEERSUCKER WITH AERO TECH FUNCTION
(B) YARN DYED STRETCH WITH AERO TECH FUNCTION
(C) CORDURA WITH STRETCH PANTS
(D) 100% RECYCLE SIDE BY SID FABRIC
(E) COTTONY LIKE DLCORE STRETCH PANTS
(F) FINE DENIER MELANGE RECYCLE WITH STRETCH FABRIC
(G) TENCEL ANTI-BACTERIAL FUNCTION FIBER WITH STRETCH SHIRTS
(H) TRANSLUCENCE WITH COATING& PEARL PRINT
(I) 2、3 LAYER LAMINATION RE-PU WHITE FILM
(J) 2.5 LAYER WITH WARM PRINTING

2.Summary of this year's business plan (2022)

The business policy in 2022 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 aerobic exercise product, OTC product, and sustainability product）

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, high elasticity and high resilience elastic processing yarn 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	167,625Thousand yards	16,467Thousand yards

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

Case 3：

Cause of action: Report of the 2021 final accounts reviewed by the Audit Committee.

Explanation: The 2021 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 2021 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 issued an unqualified opinion plus other paragraphs of the audit report.

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

The certified accountant visas the company's 2021 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 2021 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. 2022 shareholders meeting

Independent director: Huang Junren

April 29, 2022

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 2021 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 issued an unqualified opinion plus other paragraphs of the audit report.

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

The certified accountant visas the company's 2021 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 2021 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. 2022 shareholders meeting

Independent director: Su Baicheng

April 29, 2022

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 2021 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 issued an unqualified opinion plus other paragraphs of the audit report.

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

The certified accountant visas the company's 2021 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 2021 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. 2022 shareholders meeting

Independent director: Cai Qijun

April 29, 2022

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) 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

(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 1-2 companies. 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) Investment method:

De Licacy (Samoa) Holdings Co., a 100%-owned subsidiary of the company, reinvested in BEST ALLIANCE INTERNATIONAL LIMITED, and invested in NANTONG De Licacy Textile Technology Co, Ltd.

(2) Investment amount:

USD 5,000,000 (NTD 138,875,000) invested on December 3, 2021

(3) This case was approved in principle by the Letter of Shen Er Zi No. 11000129360 on August 27, 2021, by the Investment Review Committee of the Ministry of Economic Affairs.

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 a 55.06%-owned subsidiary; Zhejiang LUCKY UNIQUE ENT. CO., LTD., TOTAL EXPRESS LIMITES and APEX (ANQING) TEXTILE CO., LTD. are comprehensively held 53.22 % Subsidiary; Victory Cayman Holdings Co., Ltd., Hangzhou DE LICACY INDUSTRIAL CO., LTD., Hong Kong EDEN ROAD INTERNATIONAL LTD., DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., New Lake Co., Ltd. ., Vietnam DE LICACY INDUSTRIAL CO., LTD. are 100%-owned subsidiaries.

(2) The total amount of endorsement guarantee : NTD 4,320,790 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, 2021, the total limit of the company's external endorsement guarantee and the limitof the single company's endorsement guarantee are NT$6,981,655 thousand and NT$2,327,218, 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.	80,000
2	De Shen (Cayman) Holding Co., Ltd.	887,375
3	Hangzhou DE LICACY INDUSTRIAL CO., LTD.	226,055
4	DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	137,250
5	New Lake Co., Ltd.	1,087,750
6	Vietnam DE LICACY INDUSTRIAL CO., LTD.	963,938
7	Zhejiang LUCKY UNIQUE ENT. CO., LTD.	191,505
8	TOTAL EXPRESS LIMITED	42,937
9	Hong Kong EDEN ROAD INTERNATIONAL LTD.	343,500
10	APEX (ANQING) TEXTILE CO., LTD.	360,480
	Total	4,320,790

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, 2022, the subsidiary has no endorsement guarantee.

Acknowledgement

Case 1: Board of Directors

Cause of action: According to the company's 2021 business report and individual financial statements and consolidated financial statements, please acknowledge it.

Explanation: 1. The company's 2021 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 2020 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 34 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 "De Licacy Group"), which comprise the individual balance sheets as of December 31, 2021 and 2020, and the individual statements of comprehensive income, individual statements of changes in equity and individual statements of cash flows for the years then ended, and the notes to the individual 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 financial statements present fairly, in all material respects, the financial position of the De Licacy Group as of December 31, 2021 and 2020, 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 generally accepted in the ROC. 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, 2021. 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 2021 individual financial statements of the De Licacy Group are as follows:

Authenticity of revenue recognition

The De Licacy Group's operating income were from the major customers. Due to the significant changes in revenue of some major customers this year, 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 some of major customers is listed as a key audit item. Please refer to the Individual Financial Report Note 4(14) for the explanation of revenue recognition policy.

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 some of the above-mentioned major 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 there are significant abnormalities between the sales objects and the payers 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 and $46,459,000 as of December 31, 2021 and 2020 respectively, both representing less than 1% of the total individual assets. The individual loss recognized under the equity method amounted to $3,572,000 and $50,314,000 for the years ended December 31, 2021 and 2020, respectively, which accounted for (6%) and 21% of the individual total profit or loss.

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 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.

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 generally accepted in the ROC 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 generally accepted in the ROC, we exercise professional judgment and maintain 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 2021 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.
The engagement partners on the audit resulting in this independent auditors' report are

CPA: Chao-Chin Yang

CPA: Teng-Wei Wang

Financial Supervisory Commission
Authorized No.
Jin-Kuan-Chen-Sheni-Tzu No.
1060023872

Financial Supervisory Commission
Authorized No.
Jin-Kuan-Chen-Sheni-Tzu No. 1100356048

Date: 24 March 2022

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
For the Years Ended December 31 of 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash（Note 4 and 6）	$ 218,567	2	$ 341,357	3
1110	Financial assets at fair value through profit and loss-current（Note 4 and 7）	8,914	-	9,387	-
1121	Financial assets measured at fair value through other comprehensive gains and losses-current（Note 4 and 8）	2,556	-	-	-
1136	Financial assets at amortized cost-current（Note 4, 9 and 34）	3,089,638	22	2,689,686	20
1150	Notes receivable（Note 4, 10 and 25）	92,973	1	26,432	-
1160	Notes receivable-related parties（Note 4, 25 and 33）	52,974	-	25,152	-
1170	Net accounts receivable（Note 4, 10 and 25）	473,054	3	347,100	3
1180	Accounts receivable-related parties（Note 4, 25 and 33）	88,593	1	116,894	1
1200	Other receivables（Note 4）	15,473	-	16,850	-
1210	Other receivables-related parties（Note 4 and 33）	183,092	1	556,912	4
130X	Inventory（Note 4 and 11）	1,568,947	11	1,371,756	10
1410	Prepayments（Note 16）	37,408	-	24,549	-
1470	Other current assets（Note 17 and 27）	50,566	-	38,916	-
11XX	Total current assets	5,882,755	41	5,564,991	41
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current（Note 4 and 8）	28,689	-	56,222	-
1550	Investments using the equity method（Note 4 and 12）	7,159,166	51	6,847,702	50
1600	Property, plant and equipment（Note 4, 13, 33 and 34）	830,479	6	904,882	7
1755	Right-of-use assets（Note 4 and 14）	8,453	-	23,195	-
1840	Deferred income tax assets（Note 4 and 27）	277,345	2	247,413	2
1920	Refundable deposits（Note 4）	10,288	-	10,488	-
1915	Prepayment for equipment	13,660	-	20,325	-
1975	Net confirmed welfare assets（Note 4 and 23）	11,523	-	14,522	-
15XX	Total non-current assets	8,339,603	59	8,124,749	59
1XXX	Total assets	$ 14,222,358	100	$ 13,689,740	100

Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans（Note 18 and 34）	$ 4,039,653	29	$ 4,611,976	34
2110	Short-term notes payable（Note 18）	709,511	5	709,501	5
2120	Financial liabilities measured at fair value through profit and loss-current（Note 4 and 7）	120	-	18,919	-
2150	Notes payable（Note 19）	137,847	1	61,205	1
2160	Notes payable-related parties（Note 33）	57,287	-	32,206	-
2170	Accounts payable（Note 19）	110,911	1	94,909	1
2180	Accounts payable-related parties（Note 33）	144,134	1	83,871	1
2200	Other payables（Note 20）	170,752	1	152,393	1
2220	Other payables-related parties（Note 33）	38,167	-	16,521	-
2230	Current tax liabilities（Note 4 and 27）	2,557	-	2,557	-
2280	Lease liabilities-current（Note 4 and 14）	6,892	-	14,035	-
2313	Deferred income-current（Note 4 and 21）	297	-	7,472	-
2322	Long-term loans due within one year（Note 18 and 34）	197,001	1	273,158	2
2365	Refund liabilities-current（Note 4 and 22）	2,844	-	-	-
2399	Other current liabilities	60,568	1	51,229	-
21XX	Total current liabilities	5,678,541	40	6,129,952	45
	Non-current liabilities				
2541	Long-term bank loans（Note 18 and 34）	3,845,898	27	2,805,521	21
2570	Deferred tax liabilities（Note 4 and 27）	33,927	-	36,823	-
2580	Lease liabilities-non-current（Note 4 and 14）	1,652	-	9,378	-
2630	Deferred income-non-current（Note 4 and 21）	6,125	-	1,422	-
2645	Deposit received	1,778	-	2,327	-
25XX	Total non-current liabilities	3,889,380	27	2,855,471	21
2XXX	Total liabilities	9,567,921	67	8,985,423	66
	Equity（Note 24）				
3110	Common stocks	3,845,657	27	3,845,657	28
3200	Capital reserve	676,850	5	791,558	6
	Retained surplus				
3310	Legal reserve	121,649	1	283,732	2
3320	Special reserve	401,956	3	401,956	3
3350	Unappropriated earnings	172,602	1	(162,083)	(1)
3300	Total retained earnings	696,207	5	523,605	4
3400	Other equities	(564,277)	(4)	(456,503)	(4)
3XXX	Total equity	4,654,437	33	4,704,317	34
	Total liabilities and equities	$ 14,222,358	100	$ 13,689,740	100

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

De Licacy Industrial Co., Ltd.
Individual Statements of Comprehensive Income
For the Years Ended December 31 of 2021 and 2020

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

Code		2021 Amount	2021 %	2020 Amount	2020 %
	Operating income（Note 4, 25 and 33）				
4100	Net sales revenue	$ 3,843,741	99	$ 3,002,049	100
4800	Other operating income	25,871	1	3,591	-
4000	Total operating income	3,869,612	100	3,005,640	100
	Operating costs（Note 11, 23, 26 and 33）				
5110	Cost of goods sold	3,498,333	90	2,807,286	93
5900	Gross operating income	371,279	10	198,354	7
5910	Unrealized subsidiaries and associated companies losses companies losses（Note 4）	6,364	-	6,405	-
5920	Realized subsidiaries and associated companies losses（Note 4）	(6,405)	-	(3,815)	-
5950	Gross realized operating income	371,238	10	200,944	7
	Operating expenses（Note 10, 23, 26 and 33）				
6100	Marketing expenses	206,446	5	181,924	6
6200	General and administrative expenses	118,375	3	99,275	4
6300	Research and development expenses	122,937	3	123,078	4
6450	Expected credit loss	19,559	1	33,378	1
6000	Total operating expenses	467,317	12	437,655	15
6500	Net other income and expenses（Note 26 and 33）	44,368	1	6	-
6900	Operating income (net loss)	(51,711)	(1)	(236,705)	(8)
	Non-operating income and expenses（Note 4, 7, 26 and 33）				
7100	Interest income	17,872	-	40,280	1
7010	Other income	82,442	2	121,553	4
7020	Other benefits and losses	(123,009)	(3)	(215,109)	(7)
7050	Financial costs	(96,903)	(3)	(102,090)	(3)
7070	Share of losses of affiliated companies using the equity method	338,114	9	93,887	3
7000	Total non-operating income and expense	218,516	5	(61,479)	(2)
7900	Net profit before tax（net loss）	166,805	4	(298,184)	(10)
7950	Income tax benefit（Note 4 and 27）	($ 16,183)	(1)	($ 90,898)	(3)
8200	Net profit（net loss）for the year	182,988	5	(207,286)	(7)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive loss（net）				
8310	Items not reclassified to profit or loss:				
8311	Determine the remeasurement of the benefit（Note 23）	(11,961)	-	28,389	1
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses（Note 24）	(27,834)	(1)	8,894	-
8331	The equity method is used to recognize the re-measurement of defined welfare plans of subsidiaries and affiliated companies	(877)	-	621	-
8336	The equity method is used to recognize the unrealized gains and losses of subsidiaries and related companies through other comprehensive gains and losses to measure equity instruments at fair value（Note 24）	(20,530)	-	8,109	-
8349	Income tax related to items not reclassified（Note 27）	2,392	-	(5,678)	-
		(58,810)	(1)	40,335	1
	Items that may be reclassified to profit and loss in the future:				
8361	Conversion difference in the conversion of financial statements of foreign operating institutions（Note 24）	(72,233)	(2)	(88,840)	(3)
8380	Share of other comprehensive profits and losses of subsidiaries and affiliates recognized using the equity method（Note 24）	(1,564)	-	(3,362)	-
8399	Income tax related to items that may be reclassified（Note 24 and 27）	14,447	-	17,768	1
8360		(59,350)	(2)	(74,434)	(2)
8300	Total net comprehensive profit and loss for the year（after tax）	(118,160)	(3)	(34,099)	(1)
8500	Total comprehensive profit and loss for the year	$ 64,828	2	($ 241,385)	(8)
	Earnings per share(net loss)(Note 28)				
9710	Basic	$ 0.48		($ 0.54)	
9810	Dilution	$ 0.48		($ 0.54)	

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

De Licacy Industrial Co., Ltd.

Individual Statements of Changes in Equity

For the Years Ended December 31 of 2021 and 2020

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

Code				Retained Earnings			Other Equities				
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences from the financial statements of foreign operating entities	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Treasury stocks	Grand Total
A1	Balance at 1 January 2020	$ 3,845,657	$ 942,169	$ 228,353	$ 293,042	$ 578,530	($ 451,447)	$ 49,491	($ 401,956)	($ 12,681)	$ 5,473,114
	Appropriations of 2019 earnings（Note 24）										
B1	Legal reserve	-	-	55,379	-	(55,379)	-	-	-	-	-
B3	Special reserve	-	-	-	108,914	(108,914)	-	-	-	-	-
B5	Cash dividends to shareholders – NT$1.05 per share	-	-	-	-	(403,794)	-	-	-	-	(403,794)
C15	Cash dividends from capital surplus distributed to shareholders – NT$0.45 per share（Note 24）	-	(173,055)	-	-	-	-	-	-	-	(173,055)
D1	Net income for the year ended December 31 2020	-	-	-	-	(207,286)	-	-	-	-	(207,286)
D3	Other comprehensive (loss) income after tax for the year ended December 31 2020	-	-	-	-	23,332	(74,434)	17,003	(57,431)	-	(34,099)
D5	Total comprehensive (loss) income for the year ended December 31 2020	-	-	-	-	(183,954)	(74,434)	17,003	(57,431)	-	(241,385)
M3	Subsidiary liquidation and returned shares（Note 24）	-	7,459	-	-	-	12,788	-	12,788	12,681	32,928
M5	Difference between actual acquisition of the subsidiary's equity price and book value（Note 12）	-	675	-	-	-	-	-	-	-	675
M7	Changes equity to the Subsidiary ownership	-	14,310	-	-	-	422	1,102	1,524	-	15,834
Q1	Other comprehensive loss and income at fair value through liquidation（Note 24）	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-
Z1	Balance at 31 December 2020	3,845,657	791,558	283,732	401,956	(162,083)	(512,671)	56,168	(456,503)	-	4,704,317
	Distributions and appropriations of 2020 earnings（Note 24）										
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 – NT$0.3 per share（Note 24）	-	(115,369)	-	-	-	-	-	-	-	(115,369)
D1	Net profit for the year ended December 31, 2021	-	-	-	-	182,988	-	-	-	-	182,988
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2021	-	-	-	-	(10,446)	(59,350)	(48,364)	(107,714)	-	(118,160)
D5	Total comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	172,542	(59,350)	(48,364)	(107,714)	-	64,828
Q1	Other comprehensive loss and income at fair value through liquidation（Note 24）	-	-	-	-	60	-	(60)	(60)	-	-
Z1	Balance at 31 December 2021	$ 3,845,657	$ 676,850	$ 121,649	$ 401,956	$ 172,602	($ 572,021)	$ 7,744	($ 564,277)	$ -	$ 4,654,437

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

De Licacy Industrial Co., Ltd.
Individual Cash Flows Statement
For the Years Ended December 31 of 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		2021	2020
	Cash flow from operating activities		
A10000	Income (loss) before tax this year	$ 166,805	($ 298,184)
	Adjustments for:		
A20010	Income and expense:		
A20100	Depreciation expenses	128,415	135,352
A20200	Amortization expenses	-	93
A20300	Expected credit loss	19,559	33,378
A20400	Losses from financial assets and liabilities at fair value through profit or loss	226	17,623
A20900	Financial costs	96,903	102,090
A21200	Interest income	(17,872)	(40,280)
A22300	Share of profits and losses of subsidiaries and affiliates accounted for using the equity method	(338,114)	(93,887)
A22500	Gains on disposal of Property, plant and equipment	(44,368)	(6)
A23700	Inventory valuation and obsolescence losses	8,491	23,625
A23900	Unrealized subsidiaries and associated companies losses	(6,364)	(6,405)
A24000	Realized subsidiaries and associated companies losses	6,405	3,815
A24100	Unrealized foreign exchange losses	20,304	109,982
A24500	Gains from lease amendment	(84)	(10)
A29900	Benefits from liquidation of subsidiary using the equity method	-	(9,154)
A29900	Provision for (reversal) liabilities	2,844	(2,789)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(66,541)	14,771
A31140	Notes receivable-related parties	(27,822)	(1,584)
A31150	Accounts receivable	(145,513)	178,110
A31160	Accounts receivable-related parties	28,301	(18,668)
A31180	Other receivables	2,441	(1,998)
A31190	Other receivables-related parties	(7,444)	(2,300)
A31200	Inventory	(205,682)	(101,064)
A31230	Prepayments	(12,859)	6,379
A31240	Other current assets	(11,650)	14,243
A32110	Decrease in financial liabilities held for trading	(18,919)	(2,462)
A32130	Notes payable	74,720	(16,629)
A32140	Notes payable-related parties	25,081	6,114
A32150	Accounts payable	16,002	(17,345)
A32160	Accounts payable-related parties	60,263	(19,391)
A32180	Other payables	15,240	(45,283)
A32190	Other payables-related parties	21,646	(9,492)
A32210	Deferred income-current and non-current	(2,472)	8,894
A32230	Other current liabilities	9,338	14,366
A32240	Net defined benefit liabilities-non-current	(8,962)	(8,366)
A33000	Cash used in operations	(211,682)	(26,462)
A33100	Interest received	15,781	32,404
A33200	Dividends received	11,358	39,147
A33300	Interest paid	(98,265)	(101,686)

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Code		2021	2020
A33500	Income tax paid	($ 870)	($ 4,380)
AAAA	Net cash used in operating activities	(283,678)	(60,977)
	Cash flow from investing activities		
B00040	Acquisition of amortized cost financial assets	(9,702,766)	(10,158,528)
B00060	Gains (losses) from sale of amortized cost financial assets	9,261,244	9,478,204
B00100	Acquisition for fair value through profit and loss financial assets	(16,455)	(20,969)
B00200	Disposal for fair value through profit and loss financial assets	16,630	23,942
B00010	Acquisition for Fair value through other comprehensive income financial assets	(12,037)	(7,959)
B00020	Sales for Fair value through other comprehensive income financial assets	9,180	11,925
B01800	Acquisition of investments accounted for using equity method	(94,607)	(363,825)
B02300	Net cash generated from disposal of subsidiaries	-	466,216
B02400	Returned payments for share from subsidiary reduction of capital	15,315	-
B02700	Acquisition of property, plant and equipment	(35,477)	(46,934)
B02800	Proceeds from disposal of property, plant and equipment	51,006	9,414
B03700	Refundable deposits increase	(350)	(160)
B03800	Refundable deposits decrease	550	2,814
B04300	Other receivables-related parties increase	(161,410)	(566,293)
B04400	Other receivables-related parties decrease	566,293	76,064
B05500	Disposal of investing real-estate	-	146,827
B07100	Prepayment for equipment increase	(612)	(20,325)
BBBB	Net cash used in investing activities	(103,496)	(969,587)
	Cash flows from financing		
C00100	Short-term loans increase	20,778,774	20,296,772
C00200	Short-term loans decrease	(21,351,097)	(18,429,901)
C00500	Short-term notes payable increase	18,230,606	3,898,627
C00600	Short-term notes payable decrease	(18,230,596)	(3,618,916)
C01600	Payments of finance lease liabilities	3,067,693	1,334,900
C01700	Repayment of long-term debt	(2,101,808)	(1,988,000)
C03000	Deposit received increase	3,451	5,649
C03100	Deposit received decrease	(4,000)	(7,333)
C04020	Repayment of the principal portion of lease liabilities	(13,270)	(13,614)
C04500	Cash dividends	(115,369)	(576,849)
CCCC	Net cash generated from financing activities	264,384	901,335
EEEE	NET INCREASE (DECREASE) IN CASH	(122,790)	(129,229)
E00100	CASH AT THE BEGINNING OF THE YEAR	341,357	470,586
E00200	CASH AT THE END OF THE YEAR	$ 218,567	$ 341,357

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

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, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated changes in equity and consolidated 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, 2021 and 2020, 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 generally accepted in the ROC. 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, 2021. 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 2021 consolidated financial statements of the De Licacy Group are as follows:

Authenticity of revenue recognition

The De Licacy Group's operating income were from the major customers. Due to the significant changes in revenue of some major customers this year, 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 some of major customers is listed as a key audit item. Please refer to the Consolidated Financial Report Note 4(17) for the explanation of revenue recoginition policy.

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 degin and implementation of the internal sales cycle control system.
2. Select samples from the sales details of some of the above-mentioned major 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 there are significant abnormalities between the sales objects and the payers to confirm the authencity 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 and $46,459,000 as of December 31, 2021 and 2020, respectively, both representing less than 1% of the total consolidated assets. The consolidated loss recognized under the equity method amounted to $3,572,000 and $50,314,000 for the years ended December 31, 2021 and 2020, respectively, which accounted for (6%) and 22% of the consolidated total profit or loss.

De Licacy Industrial Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2020 and 2019, and we have issued 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 generally accepted in the ROC 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 generally accepted in the ROC, we exercise professional judgment and maintain 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 2021 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.

The engagement partners on the audit resulting in this independent auditors' report are

CPA: Chao-Chin Yang CPA: Teng-Wei Wang

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1060023872

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1100356048

Date: 24 March 2022

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, 2021 and 2020

(In thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents（Note 4 and 6）	$ 1,045,569	5	$ 1,223,480	7
1110	Financial assets at fair value through profit and loss-current（Note 4 and 7）	142,732	1	64,704	-
1120	Financial assets at fair value through other comprehensive gains and losses-current（Note 4 and 8）	109,867	-	38,979	-
1136	Financial assets at amortized cost-current（Note 4, 9 and 38）	3,419,464	18	2,816,902	16
1150	Notes receivable（Note 4, 10 and 28）	156,292	1	79,586	-
1160	Notes receivable-related parties（Note 4, 28 and 37）	54,268	-	24,845	-
1170	Net accounts receivable（Note 4, 10 and 28）	1,680,044	9	1,614,862	9
1180	Accounts receivable-net amount of related parties（Note 4, 28 and 37）	117,973	1	147,303	1
1200	Other receivables（Note 10）	98,578	-	116,078	1
1210	Other receivables-related parties（Note 37）	47,803	-	114,870	1
130X	Inventory（Note 4 and 11）	4,151,693	22	3,210,797	18
1410	Prepayments（Note 19）	190,389	1	156,743	1
1479	Other current assets（Note 20 and 30）	531,231	3	561,533	3
11XX	Total current assets	11,745,903	61	10,170,682	57
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current（Note 4 and 8）	106,209	1	120,056	1
1535	Financial assets measured at amortized cost-non-current（Note 4 and 9）	-	-	27,725	-
1550	Investments using the equity method（Note 4 and 13）	816,317	4	793,054	5
1600	Property, plant and equipment（Note 4, 14, 37 and 38）	5,561,614	29	5,922,156	33
1755	Right-of-use assets（Note 4, 15 and 38）	352,024	2	370,567	2
1760	Investment properties（Note 4, 16 and 38）	60,820	-	65,071	-
1805	Goodwill（Note 4 and 17）	12,996	-	12,996	-
1821	Other intangible assets（Note 4 and 18）	13,640	-	15,423	-
1840	Deferred tax assets（Note 4 and 30）	322,206	2	283,407	2
1920	Refundable deposits（Note 4）	23,418	-	17,082	-
1975	Net confirmed welfare assets-non-current（Note 4 and 26）	2,077	-	5,476	-
1990	Other non-current assets（Note 20）	114,685	1	43,735	-
15XX	Total non-current assets	7,386,006	39	7,676,748	43
1XXX	Total assets	$ 19,131,909	100	$ 17,847,430	100

Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans（Note 21 and 38）	$ 6,004,949	31	$ 6,400,957	36
2110	Short-term notes payable（Note 21）	739,511	4	709,501	4
2120	Financial liabilities measured at fair value through profit and loss-current（Note 4 and 7）	120	-	20,927	-
2150	Notes payable（Note 22）	144,652	1	72,165	-
2160	Notes payable-related parties（Note 37）	63,956	-	32,206	-
2170	Accounts payable（Note 22）	787,521	4	650,938	4
2180	Accounts payable-related parties（Note 37）	129,756	1	98,596	-
2219	Other payables（Note 23）	585,182	3	498,196	3
2220	Other payables-related parties（Note 37）	153,238	1	183,505	1
2230	Current income tax liabilities（Note 4 and 30）	2,557	-	5,814	-
2280	Lease liabilities-current（Note 4 and 15）	8,523	-	27,739	-
2322	Long-term loans due within one year（Note 21 and 38）	199,251	1	282,952	2
2365	Refund liabilities-current（Note 4 and 25）	5,213	-	3,705	-
2399	Other current liabilities（Note 28）	136,416	1	121,343	1
21XX	Total current liabilities	8,960,845	47	9,108,544	51
	Non-current liabilities				
2541	Long-term bank loans（Note 21 and 38）	4,651,851	24	3,181,005	18
2580	Lease liabilities-non-current（Note 4 and 15）	4,624	-	14,435	-
2570	Deferred tax liabilities（Note 4 and 30）	41,391	-	36,823	-
2630	Non-current deferred income（Note 4 and 24）	72,032	1	49,376	-
2645	Deposit received	2,243	-	2,464	-
25XX	Total non-current liabilities	4,772,141	25	3,284,103	18
2XXX	Total liabilities	13,732,986	72	12,392,647	69
	Equity attributed to the owners of the company（Note 27）				
3100	Stocks				
3110	Common stocks	3,845,657	20	3,845,657	22
3200	Capital reserve	676,850	3	791,558	4
	Retained surplus				
3310	Legal reserve	121,649	1	283,732	2
3320	Special reserve	401,956	2	401,956	2
3350	Unappropriated earnings	172,602	1	(162,083)	(1)
3300	Total retained earnings	696,207	4	523,605	3
3400	Other equities	(564,277)	(3)	(456,503)	(2)
31XX	Total equity of company owners	4,654,437	24	4,704,317	27
36XX	Non-controlling interests（Note 27）	744,486	4	750,466	4
3XXX	Total equity	5,398,923	28	5,454,783	31
	Total liabilities and equity	$ 19,131,909	100	$ 17,847,430	100

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

De Licacy Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31 of 2021 and 2020

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

Code		2021 Amount	2021 %	2020 Amount	2020 %
	Operating income（Note 4, 28 and 37）				
4100	Net sales revenue	$ 10,313,762	98	$ 8,407,460	98
4800	Other operating income	161,923	2	187,199	2
4000	Total operating income	10,475,685	100	8,594,659	100
	Operating costs（Note 11, 26, 29 and 37）				
5110	Cost of goods sold	8,871,900	85	7,350,952	86
5900	Gross operating income	1,603,785	15	1,243,707	14
5910	Unrealized sales benefits（Note 4）	-	-	(26)	-
5920	Realized sales benefits（Note 4）	26	-	-	-
5950	Gross realized operating income	1,603,811	15	1,243,681	14
	Operating expenses（Note 10, 26 and 29）				
6100	Marketing expenses	543,464	5	471,947	5
6200	General and administrative expenses	485,837	5	490,694	6
6300	Research and development expenses	230,732	2	208,459	2
6450	Expected credit loss	19,941	-	60,043	1
6000	Total operating expenses	1,279,974	12	1,231,143	14
6500	Net other income and expenses（Note 29 and 37）	47,228	1	(9,383)	-
6900	Operating income	371,065	4	3,155	-
	Non-operating income and expenses（Note 4, 7, 29 and 37）				
7100	Interest income	21,432	-	42,886	-
7190	Other income	173,970	2	204,648	2
7020	Other benefits and losses	(204,258)	(2)	(281,461)	(3)
7050	Financial costs	(152,354)	(2)	(177,717)	(2)
7060	Share of losses of affiliated companies using the equity method	(15,842)	-	(83,313)	(1)
7000	Total non-operating income and expenses	(177,052)	(2)	(294,957)	(4)
7900	Net profit before tax（net loss）	194,013	2	(291,802)	(4)
7950	Income tax benefits（Note 4 and 30）	(1,909)	-	(85,169)	(1)
8200	Net profit（net loss）for the year	195,922	2	(206,633)	(3)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan（Note 26）	($ 12,373)	-	$ 29,226	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses（Note 27）	(62,184)	(1)	29,573	1
8320	Share of other comprehensive profit and loss of affiliates using the equity method（Note 27）	(2,082)	-	(1,548)	-
8349	Income tax related to items not reclassified（Note 30）	2,392	-	(5,678)	-
		(74,247)	(1)	51,573	1
	Items that may be reclassified to profit and loss in the future				
8361	Conversion difference in the conversion of financial statements of foreign operating institutions（Note 27）	(69,314)	-	(114,464)	(1)
8370	Share of other comprehensive profit and loss of affiliates using the equity method（Note 27）	(11,820)	-	26,815	-
8399	Income tax related to items that may be reclassified（Note 27 and 30）	14,447	-	18,305	-
8360		(66,687)	-	(69,344)	(1)
8300	Other comprehensive profit and loss for the year (net after tax)	(140,934)	(1)	(17,771)	-
8500	Total comprehensive profit and loss for the year	$ 54,988	1	($ 224,404)	(3)
8600	The net profit (net loss) is attributed to:				
8610	Owner of the company	$ 182,988	2	($ 207,286)	(2)
8620	Non-controlling interests	12,934	-	653	-
		$ 195,922	2	($ 206,633)	(2)
8700	The total comprehensive profit and loss is attributed to:				
8710	Owner of the company	$ 64,828	1	($ 241,385)	(3)
8720	Non-controlling interests	(9,840)	-	16,981	-
		$ 54,988	1	($ 224,404)	(3)
	Earnings per share (net loss)（Note 31）				
9710	Basic	$ 0.48		($ 0.54)	
9810	Dilution	$ 0.48		($ 0.54)	

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

De Licacy Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31 of 2021 and 2020

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

Code		Equity attribute to the Company's owner										Non-controlling interests	Total equity
				Retained Earnings			Other Equities						
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Conversion difference in the conversion of financial statements of foreign operating institutions	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Treasury stocks	Grand total		
A1	Balance at 1 January 2020	$ 3,845,657	$ 942,169	$ 228,353	$ 293,042	$ 578,530	($ 451,447)	$ 49,491	($ 401,956)	($ 12,681)	$ 5,473,114	$ 795,067	$ 6,268,181
	Appropriations of 2019 earnings（Note 27）												
B1	Legal reserve	-	-	55,379	-	(55,379)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	108,914	(108,914)	-	-	-	-	-	-	-
B5	Cash dividends to shareholders - NT$1.05 per share	-	-	-	-	(403,794)	-	-	-	-	(403,794)	-	(403,794)
C15	Cash dividends from capital surplus distributed to shareholders - NT$0.45 per share（Note 27）	-	(173,055)	-	-	-	-	-	-	-	(173,055)	-	(173,055)
D1	Net income (loss) for the year ended December 31, 2020	-	-	-	-	(207,286)	-	-	-	-	(207,286)	653	(206,633)
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2020	-	-	-	-	23,332	(74,434)	17,003	(57,431)	-	(34,099)	16,328	(17,771)
D5	Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	(183,954)	(74,434)	17,003	(57,431)	-	(241,385)	16,981	(224,404)
M3	Subsidiary liquidation and returned shares（Note 27 and 32）	-	7,459	-	-	-	12,788	-	12,788	12,681	32,928	(189,185)	(156,257)
M5	Difference between actual acquisition of the subsidiary equity price and book value（Note 12, 27 and 33）	-	675	-	-	-	-	-	-	-	675	(22,004)	(21,329)
M7	Changes equity to the subsidiary ownership（Note 12, 27 and 33）	-	22,394	-	-	-	422	1,102	1,524	-	23,918	(23,918)	-
O1	Cash dividends from the subsidiaries（Note 27）	-	-	-	-	-	-	-	-	-	-	(45,663)	(45,663)
Q1	Other comprehensive loss and income at fair value through liquidation（Note 27）	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-	-	-
T1	Non-controlling interests increase（Note 27）	-	(8,084)	-	-	-	-	-	-	-	(8,084)	219,188	211,104
Z1	Balance at 31 December 2020	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
	Distributions and appropriations of 2020 earnings（Note 27）												
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 - NT$0.3 per share（Note 27）	-	(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 (loss) income 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 (loss) income 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 27）	-	-	-	-	-	-	-	-	-	-	(9,271)	(9,271)
Q1	Other comprehensive loss and income at fair value through liquidation（Note 27）	-	-	-	-	60	-	(60)	(60)	-	-	-	-
T1	Non-controlling interests increase（Note 27）	-	-	-	-	-	-	-	-	-	-	13,131	13,131
Z1	Balance at 31 December 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

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

De Licacy Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31 of 2021 and 2020

(In thousands of New Taiwan Dollars)

Code		2021	2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income (Loss) before tax	$ 194,013	($ 291,802)
A20000	Adjustments for:		
	Revenues/Expenses		
A20100	Depreciation	647,023	615,814
A20200	Amortization	1,827	2,073
A20300	Expected credit loss	19,941	60,043
A20400	Financial assets and liabilities at fair value through profit or loss	15,798	9,740
A20900	Financial costs	152,354	177,717
A21200	Interest income	(21,432)	(42,886)
A21300	Dividend income	(2,334)	(1,487)
A22300	Share of loss of associates & joint ventures accounted for using the equity method	15,842	83,313
A22500	Loss (income) from liquidation of property, plant and equipment	(47,228)	9,383
A23700	Inventory valuation and obsolescence losses	33,199	42,628
A23900	Unrealized sales benefits	-	26
A24000	Realized sales benefits	(26)	-
A24100	Unrealized foreign exchange losses	38,893	95,539
A24500	Benefits from liquidation of subsidiary	-	(9,154)
A29900	Allowance (reversal) for refund liability	1,541	(1,950)
A29900	Gains from lease amendment	(224)	(10)
	Changes in operating assets and liabilities		
A31130	Notes receivable（include related parties）	(106,129)	14,976
A31150	Accounts receivable（include related parties）	(55,793)	58,893
A31180	Other receivables（include related parties）	16,208	(56,839)
A31200	Inventory	(973,293)	42,252
A31230	Prepayments	(33,646)	37,655
A31240	Other current assets	30,781	88,533
A32130	Notes payable	102,265	(1,367)
A32150	Accounts payable	136,270	7,761
A32160	Accounts payable-related parties	31,473	(32,879)
A32180	Other payables	48,618	(122,455)
A32190	Other payables-related parties	(8,298)	9,697
A32230	Other current liabilities	22,248	(19,993)
A32240	Net confirmed welfare liability (assets)-non-current	(9,439)	(27,231)
A32990	Non-current deferred income	15,481	22,829
A33000	Cash generated from operations	265,933	770,819
A33100	Interest received	19,339	40,590
A33200	Dividends received	2,334	1,487
A33300	Interest paid	(154,074)	(179,579)
A33500	Income tax paid	(20,613)	(30,296)
AAAA	Cash generated from operations (net)	112,919	603,021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive gains and losses-current	(88,650)	(83,563)
B00020	Liquidation of financial assets at fair value through other comprehensive gains and losses-current	14,656	63,635
B00100	Acquisition of financial assets at fair value through profit or loss	(146,867)	(21,277)
B00200	Liquidation of financial assets at fair value through profit or loss	16,822	24,242

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Code		2021	2020
B00040	Acquisition of financial assets at amortized cost	($ 10,521,071)	($ 10,682,165)
B00060	Financial assets at amortized cost repayment of principal upon maturity	9,884,632	9,900,763
B01800	Investments accounted for using the equity method	(88,332)	(6,375)
B02000	Incrase in prepayments for investments	-	(34,647)
B02200	Net cash flows from subsidiary acquisition	-	(1,225)
B02300	Net cash flows (outflows) from subsidiary liquidation	74,012	(1,801)
B02400	Net returned payments for share from subsidiary liquidation	33,492	-
B02700	Acquisition of property, plant and equipment	(288,921)	(438,271)
B02800	Proceeds from liquidation of property, plant and equipment	112,113	263,177
B03700	Increase in refundable deposits	(8,219)	(1,445)
B03800	Decrease in refundable deposits	1,849	2,928
B04100	Increase in other receivables	(40,000)	-
B04300	Increase in other receivables-related parties	-	(8,009)
B04400	Decrease in other receivables-related parties	8,009	-
B04500	Acquisition of intangible assets	(99)	(565)
B05350	Liquidation of right-of-use assets	1,773	-
B05500	Proceeds from disposal of real estate investments	7,452	43,030
B06700	Increase in prepayment for equipment	(86,410)	(12,866)
B06800	Decrease in long-term receivables	732	1,355
B07600	Received dividends from associated companies	-	7,949
BBBB	Net cash used in investing activities	(1,113,027)	(985,130)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	27,655,183	29,164,154
C00200	Decrease in short-term loans	(28,039,284)	(27,574,750)
C00500	Increase in short-term notes payable	18,280,607	3,948,627
C00600	Decrease in short-term notes payable	(18,250,597)	(3,638,916)
C01600	Loan of long-term debt	7,226,476	5,023,231
C01700	Repayment of long-term debt	(5,834,283)	(6,105,032)
C03000	Increase in deposit received	3,828	6,224
C03100	Decrease in deposit received	(4,050)	(8,010)
C03700	Increase in other payables-related parties	184,476	175,660
C03800	Decrease in other payables-related parties	(205,544)	(181,974)
C04020	Repayment of the principal portion of lease liabilities	(60,449)	(47,391)
C04500	Cash dividends	(115,369)	(576,849)
C05400	Cash capital increase of subsidiary	13,131	211,104
C05800	Payment of cash dividends of non-controlling interests	(9,271)	(45,663)
C09900	Acquisition of ownership interests in subsidiaries	-	(96,279)
CCCC	Net cash generated from financing activities	844,854	254,136
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREGIN CURRENCIES	(22,657)	8,106
EEEE	NET DECREASE IN Cash and cash equivalents	(177,911)	(119,867)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,223,480	1,343,347
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,045,569	$ 1,223,480

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

Case 2： Board of Directors

Cause of action：Herewith is proposal for the 2021 Earnings Distribution of the company, please acknowledge.

Explanation： (1) 2021 Earnings Distribution Statement of the company has been completed in edition as follows.

(2) Approved by board of directors of the company on April 29, 2022.

DE LICACY INDUSTRIAL CO., LTD.

Earnings Distribution Statement

2021

Unit: New Taiwan Dollar

Item	Amount
Undistributed profit at start of period	$ 0
Plus: Disposal of equity instruments at fair value through other comprehensive profit or loss	59,615
Less: Recognized in retained earnings following re-evaluation of confirmed welfare plan	(10,446,031)
Undistributed earnings after adjustment	(10,386,416)
Plus: Net profit for the current period	182,987,880
alance before earnings distribution, after losses compensated	172,601,464
Less: Legal reserve (10% After tax)（稅後10% ）	(17,260,146)
Less: Special reserve provided for Distributable surplus	(155,341,318)
Accumulated distributable earnings for the current period	$ 0

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

Resolution:

Matters for Discussion

Case 1: Submitted by Board of Directors

Explanatory Notes: For the amendment of "Procedures for Acquisition or Disposal of Assets" of the Company, please resolute.

Description: 1. The amendment of "Procedures for Acquisition or Disposal of Assets" of the Company is amended and issued per 28 January 2022 Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission.

2. Comparison table of articles before and after the amendment as follows:

Before amendment	After amendment	Remarks
5.Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.	5. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports from professional appraisers, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers,	In view of the fact that the work of the issuance of appraisal reports or reasonable opinions by experts belong to not the auditing work of financial reports, the wording of examination is amended to execution. In addition, in order to conform to the actual assessment condition such as data sources and parameters used by experts, the wording of evaluation of the "comprehensiveness, accuracy, and reasonableness" is amended to "appropriateness and reasonableness."

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline of trade associations and the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate, reasonable and accurate, and that they have complied with applicable laws and regulations.	the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.	
8. Acquisition or Disposal of Assets: 1. Acquisition or Disposal of real estate or equipment: In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own	8. Acquisition or Disposal of Assets: 1. Acquisition or Disposal of real estate or equipment: In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging	In order to specify the procedures and obligations that external experts should follow, it is stipulated that professional appraisers and their appraisal officers, accountants, lawyers or securities underwriters should

land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. B. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or	others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. B. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant, <u>conducted in pursuant to Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the ARDF)</u>, shall be engaged to render a specific opinion regarding the reason	issue appraisal reports or opinions. In addition to the relevant operational matters that should be handled when undertaking and executing cases in accordance with the current regulations, it should be conducted in pursuant to the of trade associations to which it belongs and delete the relevant wordings of Auditing Standards which CPAs should abide by.

more professional appraisers is 10 percent or more of the transaction amount. D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. 2. Acquisition or Disposal of securities: The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). For Securities which is obtained in cash by established placement or private placement, or obtained by placement where the issuing company engaging in the subscription through cash capital increase as by par value, or obtained by investee company where 100 percent owned by the company to engage in the	for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. 2. Acquisition or Disposal of securities: The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with</u>	

subscription through cash capital increase as by par value, reasonableness of the transaction price is free from the opinion by accountants. Furthermore, for securities trading on securities exchanges or OTC markets or subscription of ordinary corporate bonds or bonds under repurchase and resale agreements, or domestic and overseas funds, or stocks of listed (over-the-counter) companies are acquired or disposed of through the bidding method or auction method of listed (over-the-counter) securities of a stock exchange or over-the-counter buying center, or securities obtained from non-private placement, in accordance with the rules of the Taipei Exchange, its reasonableness of the transaction price shall be free from the opinion by accountants. 3. Acquisition or Disposal of intangible assets or right-of-use assets thereof or memberships: Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. 4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 31, paragraph 2 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and "within the	the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). For Securities which is obtained in cash by established placement or private placement, or obtained by placement where the issuing company engaging in the subscription through cash capital increase as by par value, or obtained by investee company where 100 percent owned by the company to engage in the subscription through cash capital increase as by par value, reasonableness of the transaction price is free from the opinion by accountants. Furthermore, for securities trading on securities exchanges or OTC markets or subscription of ordinary corporate bonds or bonds under repurchase and resale agreements, or domestic and overseas funds, or stocks of listed (over-the-counter) companies are acquired or disposed of through the bidding method or auction method of listed (over-the-counter) securities of a stock exchange or over-the-counter buying center, or securities obtained from non-private placement, in accordance with the rules of the Taipei Exchange, its reasonableness of the transaction price shall be free from the opinion by accountants. 3. Acquisition or Disposal of intangible assets or right-of-use	

preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. 5. Acquisition or Disposal of assets through court auction procedures: Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	assets thereof or memberships: Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. 4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 30, paragraph 2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. 5. Acquisition or Disposal of assets through court auction procedures: Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	

9. Trading with a related party: 1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. When the company intends to acquire or dispose of real estate (regardless of the amount) or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been recognized by the audit committee and approved by the board of directors: A. The purpose, necessity and anticipated benefit of the	9. Trading with a related party: 1.When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 4 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. When the company intends to acquire or dispose of real estate (regardless of the amount) or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been recognized	Here to amend when the company engages in any acquisition or disposal of assets from or to a related party, if the transaction amount reaches 10 percent or more of the company's total assets, the relevant information shall be submitted to Shareholders' meeting for approval, so as to protect shareholders' rights and benefit. However, when transactions to be conducted between the company and its parents and subsidiaries, or between its subsidiaries, they need not be submitted for resolutions by shareholder's meeting.

acquisition or disposal of assets. B. The reason for choosing the related party as a transaction counterparty. C. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations. D. The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. G. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within amount of NT$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting: A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.	by the audit committee and approved by the board of directors: A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. B. The reason for choosing the related party as a transaction counterparty. C. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations. D. The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. G. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 30, paragraph 2 of “Regulations Governing the Acquisition and Disposal of Assets by Public	

B. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors pursuant to the preceding paragraphs, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. When a matter is submitted to the audit committee, the matters for shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 7, paragraphs 3. If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been	Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted for recognition by the audit committee and approved by the board of directors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within amount of NT$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting: C. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. D. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors pursuant to the preceding paragraphs, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. When a matter is submitted to the audit committee, the matters for shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of	

approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount. Omitted	Article 7, paragraphs 3. Omitted	
13. Announcement and report process: 1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: A. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. B. Merger, demerger, acquisition, or transfer of shares. C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company. D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the	13. Announcement and report process: 1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: A. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. B. Merger, demerger, acquisition, or transfer of shares. C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the	1. In view of currently trading of domestic government bonds is exempted from the announcement and report, hence, the foreign government bonds whose transaction credit rating are not lower than the sovereign rating of Taiwan are also exempted from announcement and report. 2. In view of the nature of foreign government bonds is simple, and the nature of exchange traded notes and exchange-traded funds is similar, hence, the trading of foreign government bonds and subscription or redemption of exchange traded notes are exempted from announcement and report.

transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: (1) Company's paid-in capital is less than NT$10 billion, and the transaction amount reaches NT$500 million or more. (2) Company's paid-in capital is NT$10 billion or more, and the transaction amount reaches NT$1 billion or more. E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million. F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: (1) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan</u>. (2) Where done by professional investors—securities trading on	company. D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: (1) Company's paid-in capital is less than NT$10 billion, and the transaction amount reaches NT$500 million or more. (2) Company's paid-in capital is NT$10 billion or more, and the transaction amount reaches NT$1 billion or more. E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million. F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following	

securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. The amount of transactions above shall be calculated as follows: A. The amount of any individual transaction. B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof within the same development project within the preceding	circumstances: (1) Trading of domestic government bonds. (2) Where done by professional investors—securities trading on foreign and domestic securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. The amount of transactions above shall be calculated as follows: A. The amount of any individual transaction. B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction	

year. D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. 3.The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 4. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. 5. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise. 6. Where any of the following circumstances occurs with	counterparty within the preceding year. C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real estate or right-of-use assets thereof within the same development project within the preceding year. D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. 3. The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. 4. <u>When the company at the time of public announcement of investment in Mainland China is made in accordance with the regulations, if the application for investment in Mainland China has been approved by the competent authority, the relevant information such as date of original announcement, the</u>	

respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event: A. Change, termination, or rescission of a contract signed in regard to the original transaction. B. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. C. Change to the originally publicly announced and reported information. 7. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.	name of the invested company in the Mainland, the estimated investment amount, the transaction object and the date of approval by competent authority shall all be disclosed on the public information observatory. 5. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. 6. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise. 7. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event: A. Change, termination, or rescission of a contract signed in regard to the original transaction. B. The merger, demerger, acquisition, or transfer of	

	shares is not completed by the scheduled date set forth in the contract. C. Change to the originally publicly announced and reported information. 8. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.	

Resolution:

Case 2: Submitted by Board of Directors

Explanatory Notes: Release of the non-competition restrictions of Directors, please resolute.

Description: In compliance with Article 209, paragraph 1 of 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." In order to cooperate with actual needs, the directors, corporate directors and their representatives of the company shall be conducting essential contents of each act within company business scope free from the restrictions regulated in Article 209 of Company Act.

Attachment: Table of job description of other companies, for Chairman, Yeh, Chia-ming, corporate director representative, Yeh, Chia-how, Yeh, Wei-li and You, Yi-neng.

Name of Directors	Job description of other companies	Business of the company
Chaiman Yeh, Chia-ming	Director of Fuhua Investment Co., Ltd. (New)	Investment in securities, investment and trust company Investment in bank insurance companies. Investments in agriculture, forestry, fishery, animal husbandry, mining, and service companies. Investment in traders and cultural business company Investments in companies that build residential and commercial buildings. Investment in recreational business and tourist hotel companies. Investment in various production business.
	Chairman of Fufa International Investment Co., Ltd. (New)	General investment industry
	Supervisor of Dongming Fiber Industry Co., Ltd. (New)	1. The manufacture and processing of various chemical fibers and the sale and purchase of manufactured products, as well as trading business of import and export. 2. Processing and trading of various garments and trading business of import and export. 3. Trading and import and export of various automobiles and their spare parts. 4. Trading and import and export of various kinds of tobacco and alcohol.

	Supervisor of Jason Textile Co., Ltd. (New)	C302010 Knit Fabric Mills C305010 Printing, Dyeing, and Finishing Mills F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F401010 International Trade C399990 Other Textile Products Manufacturing ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Corporate Director Representative of Silver Shore International Co., Ltd. (New)	--
	Corporate Director Representative and head of EDEN ROAD INTERNATIONAL LIMITED (New)	--
	Corporate Director Representative of Nantong Deli Textile Technology Co., Ltd. (New)	Production and sales of long and short fiber fabric processing and finishing
	Head of Huarong Trading Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade F102030 Wholesale of Tobacco Products and Alcoholic Beverages F203020 Retail Sale of Tobacco and Alcoholic Beverages ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

	Corporate director representative of Fortune Industrial Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Corporate director representative of GOLDEN WOODS VENTURES LIMITED (New)	--
	Director of Juheng Trading Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Head of Dexin Investment Co., Ltd. (New)	--
Corporate director representative and vice chairman Yeh, Chia-	Legal representative and chairman of the board of directors of Jones Day Enterprise Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing

how		F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Legal representative and chairman of the board of directors of Zhejiang Fufa Textile Co., Ltd. (New)	Processing, finishing, production and sales of long and short fiber fabrics and production and sales of related raw materials and components.
	Legal representative and chairman of the board of directors of Anqing Defa Textile Co., Ltd. (New)	Manufacture and sales of various high-end fabrics and textiles
	Corporate director representative of Nantong Deli Textile Technology Co., Ltd. (New)	Production and sales of long and short fiber fabric processing and finishing
	Corporate director representative and head of GOLDEN WOODS VENTURES LIMITED (New)	--
	Head of LUCKY APEX VENTURES LIMITED (New)	--
	Head of TOTAL EXPRESS LTD. (New)	--
	Head of Vuitton Holdings Co., Ltd. (New)	--
	Head of New Vuitton Capital Limited (New)	--
Corporate Director and Executive Vice President Yeh, Wei-li	Chairman of Fuhua Investment Co., Ltd.	General Investment
	Corporate director representative of DE HONG HOLDINGS CO.,LTD (New)	General Investment
	Corporate director representative of Nantong Deli Textile Technology Co., Ltd. (New)	Production and sales of long and short fiber fabric processing and finishing
	Corporate director representative of GOLDEN WOODS VENTURES LIMITED (New)	--

	Director of Juheng Trading Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
Corporate Director and Executive Deputy General Manager You, Yi-neng	Supervisor of Fuhua Investment Co., Ltd. (New)	Investment in securities, investment and trust company Investment in bank insurance companies. Investments in agriculture, forestry, fishery, animal husbandry, mining, and service companies. Investment in traders and cultural business company Investments in companies that build residential and commercial buildings. Investment in recreational business and tourist hotel companies. Investment in various production business.
	Supervisor of Fufa International Investment Co., Ltd. (New)	General Investment
	Supervisor of Fusheng International Trading Co., Ltd. (New)	F102030 Wholesale of Tobacco and Alcoholic Beverages F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F203020 Retail Sale of Tobacco and Alcoholic Beverages F203030 Retail Sale of Ethanol F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade I102010 Investment Consulting

		I103060 Management Consulting F102040 Wholesale of Nonalcoholic Beverages F102050 Wholesale of Tea F102170 Wholesale of Foods and Groceries ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Supervisor of Huarong Trading Co., Ltd. (New)	C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade F102030 Wholesale of Tobacco and Alcoholic Beverages F203020 Retail Sale of Tobacco and Alcoholic Beverages ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Legal person supervisor representative of Hangzhou Deli Textile Co., Ltd. (New)	Processing, finishing, production and sales of long and short fiber fabrics and production and sales of related raw materials and components.
	Supervisor of Juheng Trading Co., Ltd. (New)	C301010 Yarn Spinning Mills C302010 Knit Fabric Mills C303010 Non-woven Fabrics Mills C305010 Printing, Dyeing, and Finishing Mills C306010 Outerwear Knitting Mills C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F113010 Wholesale of Machinery F204110 Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories F213080 Retail Sale of Machinery and Equipment F401010 International Trade ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

	Supervisor of Quanye Investment Co., Ltd. (New)	H201010 General Investment ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
	Supervisor of Nantong Deli Textile Technology Co., Ltd. (New)	—

Resolution:

Case 3: Submitted by Board of Directors

Cause of action: The company's Capital reserve cash distribution case, please referendum.

Explanation:1. In accordance with Article 241 of the Company Act, it is proposed to use the "surplus from the issuance of shares in excess of the par value"-Capital reserve for the issuance of stock premium, and shareholders will receive a cash dividend of NT$0.25 per share in proportion to their holdings, and the total amount is NT$96,141,413.

2. The base date for the allotment of cash dividends and related matters concerning the distribution of cash dividends shall be determined by the board of directors by authorizing the board of directors to decide upon the resolution of this case by the shareholders' meeting.

3. The calculation method is unconditionally rounded down if the cash dividend is less than NT$1, and the remaining cash dividend amount is transferred to the employee welfare committee of the company.

4. The number of cash dividend distribution is calculated based on the number of outstanding shares of 384,565,652 shares. If subsequent changes in the company's share capital affect the number of outstanding shares, resulting in changes in the shareholder's dividend rate, it is proposed to request the shareholders' meeting to authorize the chairman of the board to deal with them in full powers.

5. For allotment matters, such as changes in laws or regulations, amendments ordered by the competent authority, or amendments due to the objective circumstances, it is proposed to request the shareholders' meeting to authorize the chairman of the board to deal with them in full powers in accordance with the law.

Resolution:

Extraordinary motions

Articles of DE LICACY INDUSTRIAL CO., LTD.

Chapter 1 General Provisions

Article 1: 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 Shareholder 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 this Corporation.

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 this Corporation'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

This Corporation 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.

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

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

the meeting by providing the proxy form issued by this Corporation 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 this Corporation 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 this Corporation, 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 this Corporation 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 this Corporation holds a shareholder 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 this Corporation 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 this Corporation 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 this Corporation, 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

This Corporation 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 rocedure, the other members of the board of directors shall electing 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 shareholder 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 this Corporation, 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. This Corporation 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 this Corporation.

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, this Corporation 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, this Corporation 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 this Corporation, 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 this Corporation. 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 this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of 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 this Corporation, 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 effected in the same manner.

DE LICACY INDUSTRIAL CO., LTD.
Procedures for Acquisition or Disposal of Assets

Approved by 2019 General Shareholder's Meeting (21 June, 2019)

Article 1
Purpose
To ensure investment and all relevant information is disclosed publicly, "Acquisition or Disposal of Assets," "Acquisition of Real Estate from a related party," "Trading of Derivatives," and "Merger, Demerger, Acquisition or Transfer of shares" shall be conducted in pursuant to this Procedure, except for the financial-related laws and regulations provide otherwise.

Article 2
Governing Regulations: Promulgated pursuant to the provisions of Article 36-1 of the Securities and Exchange Act.

Article 3
Scope of Assets
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real estate (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Derivatives.
7. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4
Terms used in these Regulations are defined as follows
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 6

Appraisal procedures for acquisition or disposal of assets:

Where the Company engages in any acquisition or disposal of assets, the method of resolutions over prices and reference basis shall further comply with the following provisions:

1. Acquisition or disposal of securities traded on centralized exchange market or Taipei Exchange shall be determined based on the current equity or bond prices.
2. Acquisition or disposal of securities not traded on centralized exchange market or Taipei Exchange shall be taken into consideration with net value per share, technology and profitability, future development potential, market interest rates, bond coupon rates and debtor's credit as well as the most recent trading price.
3. The acquiring or disposing of real estate or equipment shall be negotiated with reference to announced present value, assessed present value, actual transaction price or book value of neighboring real estate, quotations from suppliers and so on. If the transaction amount it reaches a threshold requiring public announcement and regulatory filing under regulations, the appraisal report of the professional appraiser shall be referred to additionally.

Article 7

Operating procedures for acquisition or disposal of assets:

1. Delegation amount and level:

   A. The acquisition or disposal of various assets of the company shall be conducted in pursuant to the "Delegation of Authority Table" and the relevant regulations of the company's internal control. If the transaction amount it reaches a threshold requiring public announcement and regulatory filing under regulations, it shall be submitted to the board of directors for approval before implementation.

   B. To align with the needs of the company to expand its business in the mainland region, the board of directors is authorized to implement mainland investment within the limits of government regulations, and is not subject to the limit of 60% of the company's net worth or consolidated net worth. (Approved by General Shareholders' meeting on June 18, 2010.)

2. Execution unit: The execution unit of the company for securities investment is the financial department and the management department; the execution unit of real estate and equipment is the user department and relevant authorities. Other assets not belonging to securities investment, real estate and equipment shall be conducted after appraisal by relevant authorities.

3. With respect to the company's acquisition or disposal of assets that is subject to the approval of the board of directors under this Procedure of the company, if director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

   Where the position of independent director has been created in accordance with the provisions of the Act, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors

shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, while stipulate or amend the procedure for acquisition or disposal of assets, any transaction involving major assets or derivatives shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

4. If significant violations are found, the relevant personnel shall be punished according to the violations.

Article 8
Acquisition or disposal of assets:

1. In acquiring or disposing of real estate, equipment:
   In acquiring or disposing of real estate, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
   A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
   B. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
   C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
      (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
      (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
   D. No more than 3 months may elapse between the date of the appraisal

report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

2. Acquisition or disposal of securities:
   The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
   For Securities which is obtained in cash by established placement or private placement, or obtained by placement where the issuing company engaging in the subscription through cash capital increase as by par value, or obtained by investee company where 100 percent owned by the company to engage in the subscription through cash capital increase as by par value, reasonableness of the transaction price is free from the opinion by accountants. Furthermore, for securities trading on securities exchanges or OTC markets or subscription of ordinary corporate bonds or bonds under repurchase and resale agreements, or domestic and overseas funds, or stocks of listed (over-the-counter) companies are acquired or disposed of through the bidding method or auction method of listed (over-the-counter) securities of a stock exchange or over-the-counter buying center, or securities obtained from non-private placement, in accordance with the rules of the Taipei Exchange, its reasonableness of the transaction price shall be free from the opinion by accountants.

3. Acquisition or disposal of intangible assets or right-of-use assets or membership:
   Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 30, paragraph 2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

5. Acquisition or disposal of assets through court auction procedures:

   Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 9

Trading with a related party:

1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Procedure. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with paragraph 4 of preceding Article herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
2. When the company intends to acquire or dispose of real estate (regardless of amount) or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been recognized by the audit committee and approved by the board of directors:
   A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
   B. The reason for choosing the related party as a transaction counterparty.
   C. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.
   D. The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
   E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
   F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
   G. Restrictive covenants and other important stipulations associated with the transaction.

   The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 30, paragraph 2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the

year preceding the date of occurrence of the current transaction. Items that have been recognized by the audit committee and approved by the board of directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within amount of NT$300 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
B. Acquisition or disposal of real estate right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When a matter is submitted to the board of directors pursuant to regulations, it shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 7, paragraphs 3.

3. The company that acquires real estate or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
   A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
   B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
4. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
5. The company that acquires real estate or right-of-use assets thereof from a related party and appraises the cost of the real estate or right-of-use assets thereof in accordance with the Paragraph 3and 4 shall also engage a CPA to check the appraisal and render a specific opinion.
6. Where the company acquires real estate or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding Article 2, and Paragraph 3 and 4 do not apply:

A. The related party acquired the real estate or right-of-use assets thereof through inheritance or as a gift.
B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate or right-of-use assets thereof to the signing date for the current transaction.
C. The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the company's own land or on rented land.
D. The real estate right-of-use assets for business use are acquired by the company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

7. When the company acquires or disposes of real estate from or to a related party, when the results of the company's appraisal conducted in accordance with regulations are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 8. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
   A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
      (1) Where undeveloped land is appraised in accordance with the means in Article 3 to 6, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
      (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
   B. Where the company acquiring real estate, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate or obtainment of the right-of-use assets thereof.

8. Where the company acquires real estate or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 3 to 7 are uniformly lower than the transaction price, the following steps shall be taken:
    A. A special reserve shall be set aside in accordance with regulations against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under regulations shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
    B. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with regulations, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
    C. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
9. The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
10. When the company obtains real estate or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm′s length transaction.

Article 10
Engagement in derivatives trading:

Company engaging in derivatives trading shall pay strict attention to control of the following important risk management and auditing matters:

1. Trading principles and strategies:
    A. The types of derivatives that may be traded: Foreign currency forwards and option commodities only
    B. Operating or hedging strategies: The foreign exchange operations that the company engages in is only to avoid exchange risks in operations and capital allocation, and engaging in any speculative transactions is prohibited. In addition, the currency held must be consistent with the company's actual foreign currency required for import and export transactions.
    C. Segregation of duties: The Finance Department is in charge of the stipulation and implementation of strategies related to derivatives trading, as well as regular appraisal and report of the trading held. Senior executives who are not members of the Finance Department shall be assigned by board of directors to be responsible for the measurement, supervision and control of relevant risks.

D. Essentials of performance evaluation: The finance department shall evaluate and review the operational performance at market price every week or every two weeks, and periodically report to the general manager on a monthly basis to review and improve the hedging strategy adopted.

E. Total amount of derivatives contracts that may be traded: The total amount of foreign currency in forward foreign exchange transaction contracts shall not exceed the actual total import and export foreign currency demand of the company. When the foreign currency option transaction is evaluated at market price, the amount of transaction contract that may be required to perform the option shall not exceed USD 5 million.

F. The maximum loss limit on total trading and for individual contracts: The maximum amount of contract loss limit for all derivative transactions is NT$30 million; The maximum loss limit for individual contracts is 15% of the individual contract amount, and its amount not exceeding NT$10 million.

G. The Finance Department shall select the financial institutions with better conditions, after submitting for approval by the general manager, to sign a credit line contract with them, and engage in derivatives transactions within the limit.

H. When engaging in derivatives transactions, if the pre-sale of foreign currency is based on the letter of credit to the order, the operation shall be carried out one by one according to the letter of credit to the single batch. After the derivatives transaction is completed and confirmed by the transaction confirmation personnel, the "Exchange Hedging Transaction Form" should be filled out and notified to the settlement personnel. The settlement personnel will fill in the "Detailed Report on Imported Foreign Exchange" according to the "Exchange Hedging Transaction Form", and handle the settlement matters after being signed and approved by the head of the financial unit.

2. Risk management measures:

A. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.

B. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

C. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

D. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

E. Other important risk management measures.

3. Internal control system:

A. Where the company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

(1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.

(2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

B. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

(1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.

(2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

C. The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivates trading in accordance with regulations.

4. Periodic assessment measures and conduct of abnormal situations:

A. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required by regulations shall be recorded in detail in the log book.

B. The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

Article 11

Merger, demerger, acquisition, or transfer of shares:

1. The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the company directly or indirectly holds 100 percent of the respective subsidiaries′ issued shares or authorized capital.

2. The company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
3. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
4. The company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
5. The company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

(1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

(2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

(3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded

shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraph 2 and 3.

6. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
7. Public companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
   A. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
   B. An action, such as a disposal of major assets, that affects the company's financial operations.
   C. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
   D. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
   E. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
   F. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
8. The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
   A. Handling of breach of contract.
   B. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
   C. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
   D. The manner of handling changes in the number of participating entities or companies.
   E. Preliminary progress schedule for plan execution, and anticipated completion date.
   F. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
9. After public disclosure of the information, if any company participating in

the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by provisions of Paragraph 4, 5, 6 and 9.

Article 12

Scope and limitation of investment:

In addition to acquiring assets for operational use, the Company and its subsidiaries may also invest in real estate and securities for non-operational use, and its limit of amount is as follows:

1. The total amount of acquisition or investment of real estate for non-operating purpose shall not exceed 50 percent of the Company paid-in capital of the most current financial report; The total amount of acquisition or investment of real estate for non-operating purpose by subsidiaries shall not exceed 50 percent of the subsidiaries paid-in capital of the most current financial report.
2. The total amount of acquisition of securities shall not exceed 100 percent of the Company's most current net value in financial report; if subsidiaries are professional investment company, the amount shall be exceed 500 percent of the subsidiaries paid-in capital of the most current financial report; however, if the subsidiaries are not professional investment company, then the amount shall not exceed 100 percent of the subsidiaries' most current net value in financial report.
3. The total amount of investment of individual security shall not exceed 60 percent of the Company's most current net value in financial report; if the subsidiaries are professional investment company, it shall be exceed 400 percent of the subsidiaries paid-in capital of the most current financial report; however, if the subsidiaries are not professional investment company, then the amount shall not exceed 60 percent of the subsidiaries' most current net value in financial report.

Article 13

Public disclosure process:

1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

A. Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
B. Merger, demerger, acquisition, or transfer of shares.
C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
   (1) For Company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
   (2) For Company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.
E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.
F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:
   (1) Trading of domestic government bonds.
   (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
   (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions above shall be calculated as follows:
   A. The amount of any individual transaction.
   B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

3. The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
4. When the company at the time of public announcement of investment in Mainland China is made in accordance with the regulations, if the application for investment in Mainland China has been approved by the competent authority, the relevant information such as date of original announcement, the name of the invested company in the Mainland, the estimated investment amount, the transaction object and the date of approval by competent authority shall all be disclosed on the public information observatory.
5. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
6. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
7. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
   A. Change, termination, or rescission of a contract signed in regard to the original transaction.
   B. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
   C. Change to the originally publicly announced and reported information.
8. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 14

Regulations for acquisitions and disposals of assets by a public company's

subsidiaries

1. Acquisitions and disposals of assets by a public company's subsidiaries shall be conducted in compliance with regulations of the parent company.
2. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the company's subsidiary that is not itself a public company in Taiwan shall be reported by the company.
3. The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under regulations.

Article 15

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 16

In the case of a company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.

Article 17

When the company acquires or disposes of assets that reaches a threshold requiring public announcement and regulatory filing under regulations, and the transaction object is a substantial related party, the content of the announcement shall be disclosed in the notes to the financial statements and submitted for a report to the shareholders' meeting.

Article 18

If approval of one-half or more of all audit committee members has been obtained and approved by board of directors, the procedures may be implemented after a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to audit committee. When this Procedure is submitted for discussion to board of directors, where the position of independent director has been created in accordance, the board of directors shall take into full consideration each independent director's opinions, and it 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 2021</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$0.25</td></tr>
<tr><td colspan="2">Number of allotment shares per share for capital increase from earnings</td><td>0 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="11">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 2022 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 2021 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 is 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 19, 2022

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 shareholder meeting is from 2022.04.19 to 2022.06.17.