Stock code：1464

DE LICACY INDUSTRIAL CO., LTD.

Shareholders' Meeting in 2021

Meeting Agenda

June 10, 2021
No. 240, Sanshe, Xinshi Dist., Tainan City

DE LICACY INDUSTRIAL CO., LTD.

Table of Content of Meeting Agenda of Shareholders' meeting in 2021

Meeting agenda

Announcements

1. Report on the allocation of Directors' remuneration and Employee bonus stock in 2020……..…… 1
2. 2020 Annual Business Report…… 2
3. Report of the 2020 final accounts reviewed by the Audit Committee……..… 5
4. Report on investment in China…….…..… 6
5. Report of the company's endorsements and guarantees…….. 7

Acknowledgement

1. 2020 business report and proposals for ratification of individual financial statements and consolidated financial statements…….. 9
2. 2020 proposals for ratification of deficit compensated……..…30

Discussion matters

1. Amend the matters for deliberation of the "Rules of Procedures for Shareholders' Meetings" of the company……..31
2. Discussion of Capital reserve's cash distribution……. 34

Extraordinary motions ……...…35

Articles

Articles of incorporation……..…36

Rules of Procedure for Shareholders Meetings (Before amendment) ……..43

Appendix

Impact of the Proposed Bonus Shares on the Company's Operating Performance and Earnings per Share …….……51

Shareholding of all directors …… 52

DE LICACY INDUSTRIAL CO., LTD.
Meeting Agenda of Shareholders' meeting in 2021

Time：9:00 am on Thursday, June 10, 2021

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

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 2020
   (2).2020 Annual Business Report
   (3).Report of the 2020 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).2020 business report and proposals for ratification of individual financial statements and consolidated financial statements
   (2).2020 proposals for ratification of deficit compensated
5. Discussion matters
   (1).Amend the matters for deliberation of the "Rules of Procedures for Shareholders' Meetings" of the company
   (2).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 2020.

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 net loss of NT$207,286,476 in 2020, therefore does not issue Employee bonus stock and Directors' remuneration.

3. This case was reviewed and approved by the third remuneration committee of the fourth session on March 15, 2021 and approved by the sixth meeting of the seventeenth session of the board of directors on March 15, 2021.

Case 2：

Cause of action: 2020 Annual Business Report

Explanation:

2020 Annual Business Report

1.Business report of the previous year (2020)

(1) Implementation results of the business plan:

Unit: Thousand New Taiwan Dollars

Year / Item	2020	2019	Increase (decrease) amount	The proportion of changes%
Net sales revenue	8,407,460	10,533,526	(2,126,066)	(20.18)
Other operating income	187,199	386,198	(198,999)	(51.53)
Total operating income	8,594,659	10,919,724	(2,325,065)	(21.29)
Operating cost	7,350,952	8,865,307	(1,514,355)	(17.08)
Operating margin	1,243,707	2,054,417	(810,710)	(39.46)
Unrealized sales benefit	(26)	-	(26)	(100.00)
Realized operating margin	1,243,681	2,054,417	(810,736)	(39.46)
Marketing cost	471,947	576,654	(104,707)	(18.16)
Management cost	490,694	475,357	15,337	3.23
Research and development cost	208,459	231,949	(23,490)	(10.13)
Loss of expected credit impairment	60,043	24,314	35,729	146.95
Total operating costs	1,231,143	1,308,274	(77,131)	(5.90)
Other income and net expenses	(9,383)	55,618	(65,001)	(116.87)
Operating profit	3,155	801,761	(798,606)	(99.61)
Total non-operating income and expenses	(294,957)	(134,874)	(160,083)	(118.69)
Net profit before tax (net loss)	(291,802)	666,887	(958,689)	(143.76)
Income tax expense (benefits)	(85,169)	52,424	(137,593)	(262.46)
Net profit (net loss) for the year	(206,633)	614,463	(821,096)	(133.63)
Other comprehensive profit and loss (net after tax)	(17,771)	(113,896)	96,125	84.40
Total comprehensive profit and loss for the year	(224,404)	500,567	(724,971)	(144.83)

Overview of production and sales:

① Production：The production of spun fabric in 2020 is 12,771 thousand yards, a negative growth of 34.96% compared to 2019's 19,636 thousand yards. Filament

fabric is 121,748 thousand yards, which is a negative growth of 20.60% compared to 2019's 153,342 thousand yards.

② Sales：In 2020, the sales of spun fabric was 12,439 thousand yards, which was a negative growth of 33.29% compared to 2019's 18,647 thousand yards. Filament fabric was 112,305 thousand yards, which was a negative growth of 25.67% compared to 2019's 151,098 thousand yards.

(2) Budget execution status: Not applicable

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

Unit: %

Item			2020	2019
Financial structure	Debt-to-asset ratio（%）		69.44	66.63
	The ratio of long-term funds to fixed assets（%）		145.82	153.51
Solvency	Current ratio（%）		111.66	120.12
	Quick ratio（%）		68.52	72.24
	Interest coverage ratio		(0.64)	4.24
Profitability	Return on assets（%）		(0.33)	4.43
	Return on equity（%）		(3.53)	10.70
	Percentage of paid-in capital（%）	Business interest	0.08	20.85
		Net profit before tax	(7.59)	17.34
	Net profit rate（%）		(2.40)	5.63
	Earnings per share (NTD)		(0.54)	1.61

(4) R&D development status:

①.R&D expenses invested each year as of April 30, 2021 and recent years

	2020	The current year ends on April 30, 2021
Expense	208,459 thousand NTD	64,802thousand NTD
% Of turnover	2.43%	1.97%

②.Successfully developed products in 2020

(A) DOUBLE FACE FLEECE
(B) NYLON ATY WITH STRETCH PANTS
(C) FLEECE WITH AERO TECH FUNCTION
(D) EVOLUTION FLEECE 2.0
(E) YARN DYED PI TECH SHIRTS.
(F) NYLON ANTI-BACTERIAL FUNCTIONAL FIBER WITH STRETCH SHIRTS
(G) RECYCLE ANTI PILLING FLANNEL.
(H) 2-LAYER LAMINATION RE-TPU FILM
(I) 3-LAYER LAMINATION RE-TPU CLEAR FILM
(J) NATURAL FIBER BLENDED FABRIC WITH OIL-WAX COATING AND PRINTING VINTAGE OUTLOOKS

2.Summary of this year's business plan (2021)

The business policy in 2021 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.

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

Filament product：Elastic shirt fabric, 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 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.

⑤ Committed to the research and development of leisure products and expanding the market in the field of sports and leisure, research and development of the latest materials such as: high elasticity and high resilience elastic processing yarn, Tencel cotton processing silk, embossed appearance fabric material, wool processing silk and so on.

⑥ The De Licacy factory in Vietnam mainly: (1) In order to cooperate with the Japanese market's ASEAN exemption from customs duties, the main supplier UNIQLO focuses on leisure and home wear, supplemented by the +J series product designer joint models; (2) 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; (3) 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	166,208 Thousand yards	19,580 Thousand yards

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

Case 3：

Cause of action: Report of the 2020 final accounts reviewed by the Audit Committee.

Explanation: The company's 2020 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.

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 2019 business report, financial statements, and loss compensation proposals, 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 Li Jizhen 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 2020 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 2020 financial statements, business reports, and loss compensation proposals 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. 2021 shareholders meeting

Independent director: Huang Junren

Su Baicheng

Cai Qijun

March 15, 2021

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

(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.

Case 5:

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

Explanation: 1. As of March 31, 2021, 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., EDEN ROAD TERNATIONAL LTD., Hong Kong EDEN ROAD INTERNATIONAL LTD., DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., New Lake Co., Ltd. Eleven companies including the company and Vietnam DE LICACY INDUSTRIAL CO., LTD. are 100%-owned subsidiaries.

(2) The total amount of endorsement guarantee : NTD 4,611,344 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, 2020, the total limit of the company's external endorsement guarantee and the limitof the single company's endorsement guarantee are NT$7,056,476 thousand and NT$2,352,159, 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.	882,880
3	Hangzhou DE LICACY INDUSTRIAL CO., LTD.	452,060
4	EDEN ROAD INTERNATIONAL LTD.	455,680
5	DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	278,360
6	New Lake Co., Ltd.	1,011,040
7	Vietnam DE LICACY INDUSTRIAL CO., LTD.	959,080
8	Zhejiang LUCKY UNIQUE ENT. CO., LTD.	207,383
9	TOTAL EXPRESS LIMITED	27,491
10	Hong Kong EDEN ROAD INTERNATIONAL LTD.	213,600
11	APEX (ANQING) TEXTILE CO., LTD.	43,770
	Total	4,611,344

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, 2021, the subsidiary has no endorsement guarantee.

Acknowledgement

Case 1: Board of Directors

Cause of action: According to the company's 2020 business report and individual financial statements and consolidated financial statements, please acknowledge it.

Explanation: 1. The company's 2020 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 4 of this meeting handbook, and for the accountant's audit report and financial statements, please refer to pages 10 to 29 of this meeting handbook.

Resolution:

Accountant's Audit 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020. 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 2020 individual financial statements of the De Licacy Group are as follows:

As stated in Note 4-5 Inventories, Note 5 inventory obsolescence loss and Note 11 Inventories to the individual financial Statements, De Licacy inventories amounted to NT$1,371,756,000 as of December 31, 2020, which accounted for 10% of the total individual assets.

Due to the book value of inventory is significant to the overall individual financial reports, and the evaluation of dull and obsolete inventory involves significant judgment of the management, the evaluation of dull inventory is listed as a key audit item.

The accountants' reasonable assessment of obsolete inventory is as follows:

1. Understand and evaluate the effectiveness of the design and implementation of the internal inventory control system.
2. Assess the year-and the inventory age, verify the accurancy of the inventory age classification, and then recalculate if it should include loss of obsolete inventory
3. Conduct stocktake at the end of the year and confirm and assess whether the stock is out of date or damaged.

Other Matters

The financial statements included in the individual financial statements of Deloitte Touche Tohmatsu, Inc. and its investee company. 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 $46,459,000 and $96,773,000 as of December 31, 2020 and 2019 respectively, representing less than 1% and 1% of the total individual assets. The individual loss recognized under the equity method amounted to $50,314,000 and $28,489,000 for the years ended December 31, 2020 and 2019, respectively, which accounted for (21%) and (6%) of the individual total profit or loss.

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

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 constited 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 opionions 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 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Chao-Chin Yang and Chi-Jen Lee.

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1060023872	Securities and Futures Commission Autnorized No. Tai-Tsai-Cheng-6-Tzu No. 0920123784

Date: 19 March 2021

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 Income Statement

For the Years Ended December 31 of 2020 and 2019

(In Thousands of New Taiwan Dollars)

code	Assets	December 31 2020 Amount	%	December 31 2019 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents(Notes 4 and 6)	$ 341,357	3	$ 470,586	4
1110	Financial assets at fair value through profit and loss- current (Notes 4 and 7)	9,387	-	11,789	-
1136	Financial assets at amortized cost-current (Notes 4, 9 and 34)	2,689,686	20	2,107,673	16
1150	Notes receivable(Notes10 and 25)	26,432	-	41,203	-
1160	Notes receivable－ related parties(Notes 25 and 33)	25,152	-	23,568	-
1170	Net accounts receivable(Notes 4,10, and 25)	347,100	3	558,588	4
1180	Accounts receivable－related parties(Notes25 and 33)	116,894	1	98,226	1
1200	Other receivables	16,850	-	19,803	-
1210	Other receivables – related parties(Note 33)	556,912	4	214,220	2
130X	Inventory(Notes 4,5, and 11)	1,371,756	10	1,294,317	10
1410	Prepayments(Notes 16 and 33)	24,549	-	30,928	-
1470	Other current assets(Notes17 and 27)	38,916	-	53,159	1
11XX	Total current assets	5,564,991	41	4,924,060	38
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current (Notes 4 and 8)	56,222	-	51,294	-
1550	Investments using the equity method (Notes 4 and 12)	6,847,702	50	6,917,644	53
1600	Property, plant and equipment(Notes4, 13, 33, and 34)	904,882	7	909,783	7
1755	Right-of-use assets(Notes4 and 14)	23,195	-	20,667	-
1780	Intangible assets(Notes4 and 15)	-	-	93	-
1840	Deferred income tax assets(Notes4 and 27)	247,413	2	139,601	1
1920	Deposited margin(Note4)	10,488	-	13,142	-
1915	Prepayment for equipment	20,325	-	70,736	1
1975	Net confirmed welfare assets(Notes 4 and 23)	14,522	-	-	-
15XX	Total non-current assets	8,124,749	59	8,122,960	62
1XXX	Total assets	$ 13,689,740	100	$ 13,047,020	100
Code	Liabilitities and Equity				
	Current liabilities				
2100	Short-term loans (note 18 and 34)	$ 4,611,976	34	$ 2,745,105	21
2110	Short-term notes payable (Note 18)	709,501	5	429,790	3
2120	Financial liabilities measured at fair value through profit and loss-current (notes 4 and 7)	18,919	-	2,462	-
2150	Notes payable (Note 19)	61,205	1	77,029	1
2160	Notes payable-related parties (Note 33)	32,206	-	26,092	-
2170	Accounts payable (Note 19)	94,909	1	112,254	1
2180	Notes payable-related parties (Note 33)	83,871	1	103,262	1
2200	Other payables (Note 20)	152,393	1	197,381	2
2220	Other payables-related parties (Note 33)	16,521	-	26,013	-
2230	Current income tax liabilities (Notes 4 and 27)	2,557	-	-	-
2280	Lease liabilities-current (Notes 4 and 14)	14,035	-	10,183	-
2313	Deferred income-current(Notes 4 and 21)	7,472	-	-	-
2322	Long-term loans due within one year(Notes 18 and 34)	273,158	2	1,168,000	9
2365	Refund liabilities-current(Notes 4 and 22)	-	-	2,789	-
2399	Other current liabilities	51,229	-	36,863	-
21XX	Total current liabilities	6,129,952	45	4,937,223	38
	Non-current liabilities				
2541	Long-term bank loans(Notes18 and 34)	2,805,521	21	2,563,886	20
2570	Deferred income tax liabilities(Notes4 and 27)	36,823	-	35,949	-
2580	Lease liabilities-non-current(Notes4 and 14)	9,378	-	10,604	-
2630	Deferred income tax -non-crrent(Notes4 and 21)	1,422	-	-	-
2640	Net confirmed benefit liabilities-non-current(Notes 4 and 23)	-	-	22,233	-
2645	Deposit margin	2,327	-	4,011	-
25XX	Total non-current liabilities	2,855,471	21	2,636,683	20
2XXX	Total liabilities	8,985,423	66	7,573,906	58
	Equity (Note 24)				
3110	Common Sstocks	3,845,657	28	3,845,657	30
3200	Capital reserve	791,558	6	942,169	7
	Retained surplus				
3310	Legal surplus reserve	283,732	2	228,353	2
3320	Preferred surplus reserve	401,956	3	293,042	2
3350	Undistributed surplus	(162,083)	(1)	578,530	4
3300	Total retained earnings	523,605	4	1,099,925	8
3400	Other equities	(456,503)	(4)	(401,956)	(3)
3500	Treasury stocks (Note 4)	-	-	(12,681)	-
3XXX	Total equity	4,704,317	34	5,473,114	42
	Total Liabilities and Equities	$ 13,689,740	100	$ 13,047,020	100

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

De Licacy Industrial Co., Ltd.

Individual Income Statements

For the Years Ended December 31 of 2020 and 2019

(In Thousands of New Taiwan Dollars)

(Except Earnings Per Share)

Code		2020		2019	
		Amount	%	Amount	%
	Operating income (Note 4, 25, and 33)				
4100	Net sales revenue	$ 3,002,049	100	$ 4,265,141	100
4800	Other operating income	3,591	-	4,235	-
4000	Total operating income	3,005,640	100	4,269,376	100
	Operating costs(Notes11, 23, 26, and 33)				
5110	Cost of goods sold	2,807,286	93	3,681,229	87
5900	Gross Operating Income	198,354	7	588,147	13
5910	Unrealized loss of subsidiary and associated companies (Note 4)	6,405	-	3,815	-
5920	Realized loss of subsidiary and associated companies (Note 4)	(3,815)	-	(6,909)	-
5950	Gross realized operating income	200,944	7	585,053	13
	Operating expenses(Notes10, 23, 26, and 33)				
6100	Marketing expenses	181,924	6	225,631	5
6200	Management fees	99,275	4	144,454	3
6300	Research and development expenses	123,078	4	108,789	3
6450	Expected credit impairment loss (Reversal of benefits)	33,378	1	(676)	-
6000	Total operating expenses	437,655	15	478,198	11
6500	Net other income and expenses(Notes 26 and 33)	6	-	31,392	1
6900	Operating income(net loss)	(236,705)	(8)	138,247	3
	Non-operating income and expenses (Notes 4,7,26 and 33)				
7100	Interest income	40,280	1	41,760	1
7010	Other income	121,553	4	46,925	1
7020	Other benefits and losses	(215,109)	(7)	(81,265)	(2)
7050	Financial costs	(102,090)	(3)	(93,329)	(2)
7070	Share of losses of affiliated companies using the equity method	93,887	3	540,550	13
7000	Total non-operating income and expenses	(61,479)	(2)	454,641	11
7900	Net profit before tax (net loss)	(298,184)	(10)	592,888	14

(Continued)

(continued from the previous page)

Code		2020 Amount	2020 %	2019 Amount	2019 %
7950	Income tax expense (benefit) (Notes 4 and 27)	(90,898)	3	(34,867)	(1)
8200	Net profit (net loss) for the year	(207,286)	(7)	558,021	13
	Other comprehensive loss(net)				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan (note 23)	28,389	1	(6,144)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses (note 24)	8,894	-	30,547	1
8331	The equity method is used to recognize the re-measurement of defined welfare plans of subsidiaries and affiliated companies.	621	-	685	-
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)	8,109	-	17,628	-
8349	Income tax related to items not reclassified (Note 27)	(5,678)	-	1,229	-
		40,335	1	43,945	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)	(88,840)	(3)	(192,082)	(5)
8380	Share of other comprehensive profits and losses of subsidiaries and affiliates recognized using the equity method(Note 24)	(3,362)	-	(3,423)	-
8399	Income tax related to items that may be reclassified (Notes 24 and 27)	17,768	1	38,416	1
8360		(74,434)	(2)	(157,089)	(4)
8300	Total net comprehensive profit and loss for the year (after tax)	(34,099)	(1)	(113,144)	(3)
8500	Total comprehensive profit and loss for the year	($ 241,385)	(8)	$ 444,877	10
	Earnings per share (net loss) (Note 28)				
9710	Basic	($ 0.54)		$ 1.61	
9810	Dilution	($ 0.54)		$ 1.60	

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, 2020 and 2019

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

Code		Common Stock	Capital Surplus	Retained Earnings			Other Equities			Treasury Stocks	Grand Total
					Special surplus reserve	Unappropriated Earnings	Exchange differences from the financial statements of foreign operating entitities	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total		
A1	Balance at 1 January 2019	$ 3,345,657	$ 652,962	$ 208,137	$ 280,634	$ 241,374	($ 294,358)	$ 1,316	($ 293,042)	($ 12,681)	$ 4,423,041
	Appropriations of 2018 earninngs(Note 24)										
B1	Leagal Reserve	-	-	20,216	-	(20,216)	-	-	-	-	-
B3	Preferred surplus reserve	-	-	-	12,408	(12,408)	-	-	-	-	-
B5	Cash dividends to shareholders – NT$ 0.55per share	-	-	-	-	(184,011)	-	-	-	-	(184,011)
C15	Capital Surplus cash dividends to shareholders – NT$0.95 per share (Note 24) .	-	(317,837)	-	-	-	-	-	-	-	(317,837)
D1	Net income for the year ended December 31 2019	-	-	-	-	558,021	-	-	-	-	558,021
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2019	-	-	-	-	(4,230)	(157,089)	48,175	(108,914)	-	(113,144)
D5	Total comprehensive (loss) income fpr the year ended Dec. 31 2019	-	-	-	-	553,791	(157,089)	48,175	(108,914)	-	444,877
E1	Seasoned equity offering(Note 24)	500,000	597,987	-	-	-	-	-	-	-	1,097,987
M1	Dividends distributed to the subsidiary and adjust capital surplus (Note 24)	-	1,827	-	-	-	-	-	-	-	1,827
M5	Difference between actual acquisition of the subsidiary's equity price and book value difference	-	8,710	-	-	-	-	-	-	-	8,710
M7	Changes equity to the Subsidiary ownership	-	(1,480)	-	-	-	-	-	-	-	(1,480)
Z1	Balance at 31 December 2019	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	Preferred Reserve	-	-	-	108,914	(108,914)	-	-	-	-	-
B5	Cash dividends to shareholders - NT$1.05 per share	-	-	-	-	(403,794)	-	-	-	-	(403,794)
C15	Cash Dividends from Capital Sueplus to shareholders- NT$0.45 per share(Note 24)	-	(173,055)	-	-	-	-	-	-	-	(173,055)
D1	Net loss 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	The subsidiary on liquidation (Notes 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 difference (Note 12)	-	675	-	-	-	-	-	-	-	675
M7	Changes equity to the Subsidiary ownership (Note 24)	-	14,310	-	-	-	422	1,102	1,524	-	15,834
Q1	Disposal of equity instruments measured at fair value through other comprehensive income (Note 24)	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-
Z1	Balance on 31 December 2020	$ 3,845,657	$ 791,558	$ 283,732	$ 401,956	($ 162,083)	($ 512,671)	$ 56,168	($ 456,503)	$ -	$ 4,704,317

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

De Licacy Industrial Co., Ltd.
Individual Cash Flows Statement
1 January to 31 December 2020 and 2019
(in thousands of New Taiwan Dollars)

Code		2020	2019
	Cash flow from operating activities		
A10000	Income (loss) before tax this year	($ 298,184)	$ 592,888
	Adjustments for:		
A20010	Income and expense:		
A20100	Depreciation expenses	135,352	118,256
A20200	Amortization expenses	93	148
A20300	Expected credit impairment loss (Reversal of benefits)	33,378	(676)
A20400	Losses from financial assets and liabilities at fair value through profit or loss	17,623	3,734
A20900	Financial cost	102,090	93,329
A21200	Interest income	(40,280)	(41,760)
A21300	Dividend income	-	(80)
A21900	Share-based payment cost	-	737
A22300	Share of profits and losses of subsidiaries and affiliates using the equity method	(93,887)	(540,550)
A22500	Gains on disposal of Property, plant and equipment	(6)	(31,392)
A23700	Inventory Valuation and Obsolescence Losses	23,625	-
A23900	Unrealized subsidiaries and associated companies losses	(6,405)	(3,815)
A24000	Realized subsidiaries and associated companies losses	3,815	6,909
A24100	Unrealized foreign exchange losses	109,982	34,662
A29900	Benefits from liquidation of subsidiary using the equity method	(9,154)	-
A24500	Gains from lease amendment	(10)	-
A29900	Provision for (reversal) liabilities	(2,789)	781
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	14,771	5,440
A31140	Notes receivable-related parties	(1,584)	(13,403)
A31150	Accounts receivable	178,110	(102,074)
A31160	Accounts receivable-related parties	(18,668)	(47,554)
A31180	Other receivables	(1,998)	(5,352)
A31190	Other receivables-related parties	(2,300)	86,337
A31200	Inventory	(101,064)	(189,283)
A31230	Prepayments	6,379	1,610
A31240	Other current assets	14,243	(30,804)
A32110	Decrease in financial liabilities held for trading	(2,462)	(58)
A32130	Notes payable	(16,629)	(50,270)
A32140	Notes payable-related parties	6,114	(19,036)
A32150	Accounts payable	(17,345)	27,691
A32160	Accounts payable-related parties	(19,391)	(20,686)
A32180	Other payables	(45,283)	29,189
A32190	Other payables-related parties	(9,492)	(51,120)
A32210	Deferred income-current and non-current	8,894	-
A32230	Other current liabilities	14,366	12,090
A32240	Net defined benefit liabilities-non-current	(8,366)	(8,911)
A33000	Cash used in operations	(26,462)	(143,023)
A33100	Interest received	32,404	41,760
A33200	Dividends received	39,147	56,635
A33300	Interest paid	(101,686)	(90,203)
A33500	Income tax paid	(4,380)	(58,267)
AAAA	Net cash used in operating activities	(60,977)	(193,098)

(continued)

(continued from previous page)

code		2020	2019
	Cash flow from investing activities		
B00040	Acquisition of Amortized cost financial assets	(10,158,528)	(17,428,866)
B00060	Gains (losses) from sale of amortized cost financial assets Repayment at maturity	9,478,204	17,061,233
B00100	Acquisition for Fair value through other comprehensive income financial assets	(20,969)	(19,539)
B00200	Disposal for fair value through other comprehensive income financial assets	23,942	10,038
B00010	Acquisition for Fair value through other comprehensive income financial assets	(7,959)	-
B00020	Sales for Fair value through other comprehensive income financial assets	11,925	-
B01800	Acquisition of Investments accounted for using Equity Method	(363,825)	(598,530)
B02300	Net Cash generated from disposal of subsidiaries	466,216	-
B02400	Return of shares in liquidation of investee company in the method of equity	-	88
B02700	Acquisition of property, plant and equipment	(46,934)	(123,727)
B02800	Proceeds from disposal of property, plant and equipment	9,414	26,370
B03700	Refundable Deposits increase	(160)	(4,597)
B03800	Refundable Deposits decrease	2,814	2,160
B04300	Other receivables – related parties increase	(566,293)	(76,064)
B04400	Other receivables – related parties decrease	76,064	77,067
B04500	Acquisition of intangible assets	-	(112)
B05500	Disposal of investing real-estate	146,827	-
B07100	Prepayment for equipment increase	(20,325)	(70,736)
BBBB	Net cash used in investing activities	(969,587)	(1,145,215)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Short-term debt increase	20,296,772	14,977,805
C00200	Short-term debt decrease	(18,429,901)	(14,763,431)
C00500	Short-term bills payable increase	3,898,627	3,578,715
C00600	Short-term bills payable decrease	(3,618,916)	(3,628,748)
C01600	Payments of finance lease liabilities	1,334,900	2,983,850
C01700	Repayment of long-term debt	(1,988,000)	(2,005,325)
C03000	Deposit received increase	5,649	9,345
C03100	Deposit received decrease	(7,333)	(7,360)
C03700	Other payables- related parties increase	-	35,000
C03800	Other payables – related parties decrease	-	(158,653)
C04020	Repayment of the principal portion of lease liabilities	(13,614)	(9,513)
C04500	Ccash dividends	(576,849)	(501,848)
C04600	seasoned equity offering	-	1,097,250
CCCC	Net cash generated from financing activities	901,335	1,607,087
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(129,229)	268,774
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	470,586	201,812
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 341,357	$ 470,586

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

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 consolidated balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2020. 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 2020 consolidated financial statements of the De Licacy Group are as follows:

As stated in Note 4.7 Inventories, Note 5 Impairment loss of Inventories, and Note 11 Inventories of the Consolidated Financial Statements, the amount of inventories as of December 31, 2020 amounted to NT$3,210,797,000 (hereinafter referred to as "Inventories"), accounting for 18% of the total consolidated assets.

Because the carrying amount of inventories is material to the consolidated financial statements, and the evaluation of doubtful and obsolete inventories involves significant management judgment, the evaluation of inventory doubtfulness is considered a critical review.

Due to the book value of inventory is significant to the overall consolidated financial reports, and the evaluation of dull and obsolete inventory involves significant judgment of the management, the evaluation of dull inventory is listed as a key audit item.

We have reviewed the reasonableness of the assessment of inventory obsolescence as follows.

(1) To understand and evaluate the effectiveness of the design and implementation of the inventory internal control system.

(2) To evaluate the aging of inventories at the end of the year and verify the correctness of the

ageing of inventories on a sample basis, and then recalculate the appropriateness of the provision for inventory doubtfulness loss.

(3.) Conduct inventory stocktaking at the end of the year to confirm and evaluate whether the inventory is obsolete or damaged.

Other Matters

The consolodated financial statements included in the consolidated financial statements of Deloitte Touche Tohmatsu, Inc. and its investment in ERA NOUVEAU INTERNATIONAL CO., LTD. Accordingly, our opinion on the consolidated 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 $46,459,000 and $96,773,000 as of December 31, 2020 and 2019, respectively, representing less than 1% and 1% of the total consolidated assets The consolidated loss recognized under the equity method amounted to $50,314,000 and $28,489,000 for the years ended December 31, 2020 and 2019, respectively, which accounted for (22%) and (6%) of the consolidated total profit or loss.

De Licacy Industrial Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2020 and 2019, and we have issued an unqualified audit report, with additional qualifications for refernce.

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.

Auditors' 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 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Chao-Chin Yang and Chi-Jen Lee.

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1060023872	Securities and Futures Commission Autnorized No. Tai-Tsai-Cheng-6-Tzu No. 0920123784

Date: 19 March 2021

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, 2020 and 2019

(In thousands of New Taiwan Dollars)

Code	Assets	December 31 2020 Amount	%	December 31 2019 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,223,480	7	$ 1,343,347	7
1110	Financial assets at fair value through profit and loss- (Notes 4 and 7)	64,704	-	61,908	-
1120	Financial assets at fair value through other comprehensive gains and losses-current (notes 4 and 8)	38,979	-	-	-
1136	Financial assets at amortized cost-current (Notes 4, 9 and 38)	2,816,902	16	2,449,905	13
1150	Notes receivable (Notes 4, 10 and 28)	79,586	-	177,969	1
1160	Notes receivable-related parties (Notes 4, 10, 28 and 37)	24,845	-	-	-
1170	Net accounts receivable (Notes 4, 10 and 28)	1,614,862	9	1,801,429	10
1180	Accounts receivable-net amount of related parties (Notes 4, 28 and 37)	147,303	1	159,252	1
1200	Other receivables (Note 10)	116,078	1	204,263	1
1210	Other receivables-related parties (Note 37)	114,870	1	257,459	1
130X	Inventory (Notes 4, 5 and 11)	3,210,797	18	3,350,147	18
1410	Prepayments (Note 19)	156,743	1	200,598	1
1479	Other current assets (Notes 20 and 30)	561,533	3	728,140	4
11XX	Total current assets	10,170,682	57	10,734,417	57
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current (Notes 4 and 8)	120,056	1	111,010	1
1535	Financial assets measured at amortized cost-non-current (Notes 4 and 9)	27,725	-	25,229	-
1550	Investments using the equity method (Notes 4 and 13)	793,054	5	727,795	4
1600	Real estate, plant and equipment (Notes 4, 14, 37 and 38)	5,922,156	33	6,279,836	34
1755	Right-of-use assets (Notes 4, 15 and 38)	370,567	2	451,968	2
1760	Investment real estate (Notes 4, 16 and 38)	65,071	-	64,716	-
1805	Goodwill (Notes 4 and 17)	12,996	-	12,444	-
1821	Other intangible assets (Notes 4 and 18)	15,423	-	17,294	-
1840	Deferred income tax assets (Notes 4 and 30)	283,407	2	175,568	1
1920	Deposited margin (Note 4)	17,082	-	21,643	-
1975	Net confirmed welfare assets-non-current (Notes 4 and 26)	5,476	-	-	-
1990	Other non-current assets (note 20)	43,735	-	161,728	1
15XX	Total non-current assets	7,676,748	43	8,049,231	43
1XXX	Total assets	$ 17,847,430	100	$ 18,783,648	100
CODE	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (note 21 and 38)	$ 6,400,957	36	$ 5,270,282	28
2110	Short-term notes payable (Note 21)	709,501	4	429,790	2
2120	Financial liabilities measured at fair value through profit and loss-current (notes 4 and 7)	20,927	-	2,462	-
2150	Notes payable (Note 22)	72,165	-	145,447	1
2160	Notes payable-related parties (Note 37)	32,206	-	-	-
2170	Accounts payable (Note 22)	650,938	4	651,628	4
2180	Accounts payable-related parties (Note 37)	98,596	-	139,678	1
2219	Other payables (note 23)	498,196	3	669,316	4
2220	Other payables-related parties (Note 37)	183,505	1	248,464	1
2230	Current income tax liabilities (Notes 4 and 30)	5,814	-	14,758	-
2280	Lease liabilities-current (Notes 4 and 15)	27,739	-	46,679	-
2322	Long-term loans due within one year (Notes 21 and 38)	282,952	2	1,174,746	6
2365	Refund liabilities-current (notes 4 and 25)	3,705	-	6,523	-
2399	Other current liabilities (Note 28)	121,343	1	136,918	1
21XX	Total current liabilities	9,108,544	51	8,936,691	48
	Non-current liabilities				
2541	Long-term bank loans (Notes 21 and 38)	3,181,005	18	3,372,293	18
2580	Lease liabilities-non-current (Notes 4 and 15)	14,435	-	58,701	1
2570	Deferred income tax liabilities (Notes 4 and 30)	36,823	-	53,135	-
2630	Non-current deferred income (Notes 4 and 24)	49,376	-	34,853	-
2640	Net confirmed benefit liabilities-non-current (Notes 4 and 26)	-	-	55,544	-
2645	Deposit margin	2,464	-	4,250	-
25XX	Total non-current liabilities	3,284,103	18	3,578,776	19
2XXX	Total liabilities	12,392,647	69	12,515,467	67
	Equity attribuSchedule to the owners of the company (Note 27)				
3100	Stocks				
3110	Common stocks	3,845,657	22	3,845,657	20
3200	Capital reserve	791,558	4	942,169	5
	Retained surplus				
3310	Legal surplus reserve	283,732	2	228,353	1
3320	Preferred surplus reserve	401,956	2	293,042	2
3350	Undistributed surplus	(162,083)	(1)	578,530	3
3300	Total retained earnings	523,605	3	1,099,925	6
3400	Other equities	(456,503)	(2)	(401,956)	(2)
3500	Treasury stocks (note 4)	-	-	(12,681)	-
31XX	Total equity of company owners	4,704,317	27	5,473,114	29
36XX	Non-controlling interests (note 27)	750,466	4	795,067	4
3XXX	Total equity	5,454,783	31	6,268,181	33
	Total	$ 17,847,430	100	$ 18,783,648	100

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

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Income Statements
For the Years Ended December 31 of 2020 and 2019

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

Code		2020 Amount	2020 %	2019 Amount	2019 %
	Operating income (Note 4, 28 and 37)				
4100	Net sales revenue	$ 8,407,460	98	$ 10,533,526	96
4800	Other operating income	187,199	2	386,198	4
4000	Total operating income	8,594,659	100	10,919,724	100
	Operating costs (Notes 11, 26, 29 and 37)				
5110	Cost of goods sold	7,350,952	86	8,865,307	81
5900	Gross Operating Income	1,243,707	14	2,054,417	19
5910	Unrealized sales benefits (Note 4)	(26)	-	-	-
5950	Gross realized operating income	1,243,681	14	2,054,417	19
	Operating expenses (Note 10, 26 and 29)				
6100	Marketing expenses	471,947	5	576,654	5
6200	Management fees	490,694	6	475,357	5
6300	Research and development expenses	208,459	2	231,949	2
6450	Expected credit impairment loss	60,043	1	24,314	-
6000	Total operating expenses	1,231,143	14	1,308,274	12
6500	Net other income and expenses (notes 29 and 37)	(9,383)	-	55,618	-
6900	Operating income	3,155	-	801,761	7
	Non-operating income and expenses (Notes 4, 7, 16, 29 and 37)				
7100	Interest income	42,886	-	54,256	-
7190	Other income	204,648	2	123,148	1
7020	Other benefits and losses	(281,461)	(3)	(52,828)	-
7050	Financial costs	(177,717)	(2)	(206,066)	(2)
7060	Share of losses of affiliated companies using the equity method	(83,313)	(1)	(53,384)	-
7000	Total non-operating income and expenses	(294,957)	(4)	(134,874)	(1)
7900	Net profit before tax (net loss)	(291,802)	(4)	666,887	6
7950	Income tax expense (benefits) (Notes 4 and 30)	(85,169)	(1)	52,424	-
8200	Net profit (net loss) for the year	(206,633)	(3)	614,463	6

(Continued)

(continued from the previous page)

Code		2020 Amount	2020 %	2019 Amount	2019 %
	Other comprehensive income (net loss)				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan (note 26)	29,226	-	(4,956)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses (note 27)	29,573	1	65,232	1
8320	Share of other comprehensive profit and loss of affiliates using the equity method (Note 27)	(1,548)	-	-	-
8349	Income tax related to items not reclassified (Note 30)	(5,678)	-	1,038	-
		51,573	1	61,314	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)	(114,464)	(1)	(188,358)	(2)
8370	Share of other comprehensive profit and loss of affiliates using the equity method (Note 27)	26,815	-	(26,500)	-
8399	Income tax related to items that may be reclassified (Notes 27 and 30)	18,305	-	39,648	-
8360		(69,344)	(1)	(175,210)	(2)
8300	Other comprehensive profit and loss for the year (net after tax)	(17,771)	-	(113,896)	(1)
8500	Total comprehensive profit and loss for the year	($ 224,404)	(3)	$ 500,567	5
8600	The net profit (net loss) is attribuSchedule to:				
8610	Owner of the company	($ 207,286)	(3)	$ 558,021	5
8620	Non-controlling interests	653	-	56,442	1
		($ 206,633)	(3)	$ 614,463	6
8700	The total comprehensive profit and loss is attribuSchedule to:				
8710	Owner of the company	($ 241,385)	(3)	$ 444,877	4
8720	Non-controlling interests	16,981	-	55,690	1
		($ 224,404)	(3)	$ 500,567	5
	Earnings per share (net loss) (Note 31)				
9710	Basic	($ 0.54)		$ 1.61	
9810	Dilution	($ 0.54)		$ 1.60	

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

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019

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

Code		Equity attribute to the Company's owner											
		Retained Earnings					Other Equities						
		Common Stock	Capital Surplus		Special surplus reserve	Unappropriated Earnings	Exchange differences from the financial statements of foreign operating enteritis	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Treasury Stocks	Grand Total	Non-Controlled Equity	Total Equity
A1	Balance at 1 January 2019	$ 3,345,657	$ 652,962	$ 208,137	$ 280,634	$ 241,374	($ 294,358)	$ 1,316	($ 293,042)	($ 12,681)	$ 4,423,041	$ 798,168	$ 5,221,209
	Appropriations of 2018 earnings (Note27)												
B1	Legal Reserve	-	-	20,216	-	(20,216)	-	-	-	-	-	-	-
B3	Preferred surplus reserve	-	-	-	12,408	(12,408)	-	-	-	-	-	-	-
B5	Cash dividends to shareholders – NT$ 0.55per share	-	-	-	-	(184,011)	-	-	-	-	(184,011)	-	(184,011)
C15	Capital Surplus cash dividends to shareholders – NT$0.95 per share (Note 27) .	-	(317,837)	-	-	-	-	-	-	-	(317,837)	-	(317,837)
D1	Net income for the year ended December 31 2019	-	-	-	-	558,021	-	-	-	-	558,021	56,442	614,463
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2019	-	-	-	-	(4,230)	(157,089)	48,175	(108,914)	-	(113,144)	(752)	(113,896)
D5	Total comprehensive (loss) income for the year ended Dec. 31 2019	-	-	-	-	553,791	(157,089)	48,175	(108,914)	-	444,877	55,690	500,567
E1	Seasoned equity offering(Note 27)	500,000	597,987	-	-	-	-	-	-	-	1,097,987	-	1,097,987
M1	Dividends distributed to the subsidiary and adjust capital surplus (Note 27)	-	1,827	-	-	-	-	-	-	-	1,827	-	1,827
M3	Subsidiary liquidation and returned shares (Note 27)	-	-	-	-	-	-	-	-	-	-	(5,186)	(5,186)
M5	Difference between actual acquisition of the subsidiary equity price and book value difference (Notes 12, 27, and 33)	-	8,710	-	-	-	-	-	-	-	8,710	(105,324)	(96,614)
M7	Changes equity to the Subsidiary ownership (Notes 12, 27 and 33)	-	(1,480)	-	-	-	-	-	-	-	(1,480)	1,480	-
O1	Cash dividends from the Subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	-	(43,842)	(43,842)
T1	Non-controlled equity increase(Note 27)	-	-	-	-	-	-	-	-	-	-	94,081	94,081
Z1	Balance at 31 December 2019	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	Preferred 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 to shareholders- NT$0.45 per share(Note 27)	-	(173,055)	-	-	-	-	-	-	-	(173,055)	-	(173,055)
D1	Net income 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	The subsidiary on liquidation (Notes 27 and 32)	-	7,459	-	-	-	12,788	-	12,788	12,681	32,928	(189,185)	(156,257)
M5	Difference between actual acquisition of the subsidiaries equity price and book value difference (Notes 12, 27, and 33)	-	675	-	-	-	-	-	-	-	675	(22,004)	(21,329)
M7	Changes equity to the Subsidiary ownership (Notes 12, 27 and 33)	-	22,394	-	-	-	422	1,102	1,524	-	23,918	(23,918)	-
O1	Cash dividends from the Subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	-	(45,663)	(45,663)
Q1	Other comprehensive loss /income at fair value through liquidation (Note 27)	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-	-	-
T1	Non-controlled equity increase(Note 27)	-	(8,084)	-	-	-	-	-	-	-	(8,084)	219,188	211,104
Z1	Balance on 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

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

.De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31 of 2020 and 2019
(In thousands of New Taiwan Dollars)

Code		2020	2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income (Loss) before tax	($ 291,802)	$ 666,887
A20000	Adjustments for:		
	Revenues/Expenses		
A20100	Depreciation	615,814	542,728
A20200	Amortization	2,073	2,224
A20300	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	60,043	24,314
A20400	Financial assets and liabilities at fair value through profit or loss	9,740	(33,621)
A20900	Financial cost	177,717	206,066
A21200	Interest income	(42,886)	(54,256)
A21300	Dividend income	(1,487)	(1,602)
A21900	Share-Based Payment cost	-	737
A22300	Share of Loss of Associates & Joint Ventures Accounted for Using Equity Method	83,313	53,384
A22500	Loss (income) from liquidation of property, plant and equipment	9,383	(55,618)
A22700	Income from liquidation of fixed assets investment	-	(14,409)
A23700	Inventory Valuation and Obsolescence Losses	42,628	9,264
A23900	Unrealized sales income	26	-
A24100	Unrealized foreign exchange losses	95,539	13,081
A24500	Benefits from liquidation of subsidiary	(9,154)	-
A29900	Allowance (reversal) for refund liability.	(1,950)	1,077
A29900	Gains from lease amendment	(10)	-
	Changes in operating assets and liabilities		
A31130	Notes Receivable	14,976	54,238
A31150	Accounts Receivable (include stakeholders)	58,893	(183,582)
A31180	Other accounts receivable (include stakeholders)	(56,839)	24,955
A31200	Inventory	42,252	(518,876)
A31230	Prepayments	37,655	(46,779)
A31240	Other current assets	88,533	(158,562)
A32130	Notes payable	(1,367)	(43,571)
A32150	Accounts payable	7,761	33,756
A32160	Accounts payable - stakeholders	(32,879)	139,678
A32180	Other payables	(122,455)	143,169
A32190	Other payables - stakeholder	9,697	(10,332)
A32230	Other current liabilities	(19,993)	64,878
A32240	Net confirmed welfare liability (assets) – non-current	(27,231)	(13,605)
A32990	Long-term differed income	22,829	(2,193)
A33000	Cash generated from operations	770,819	843,430
A33100	Interest received	40,590	51,664
A33200	Dividends received	1,487	1,602
A33300	Interest paid	(179,579)	(201,963)
A33500	Income tax paid	(30,296)	(90,745)
AAAA	Cash generated from operations (net)	603,021	603,988
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets - current at fair value through other comprehensive profit or loss	(83,563)	-
B00020	Liquidation of financial assets - current at fair value through other comprehensive profit or loss	63,635	-
B00100	Acquisition of financial assets at fair value through profit or loss	(21,277)	(24,569)
B00200	Liquidation of financial assets at fair value through profit or loss	24,242	15,113
B00040	Acquisition of financial assets at amortized cost	(10,682,165)	(18,395,760)

(continued)

(continued from the previous page)

code		2020	2019
B00060	Financial assets at amortized cost repayment of principal upon maturity	9,900,763	18,038,738
B01800	Investments accounted for using equity method	(6,375)	(22,259)
B02000	Increase in prepayments for investments	(34,647)	-
B02200	Net cash flows from subsidiary acquisition	(1,225)	-
B02300	Net cash flows from subsidiary liquidation	(1,801)	-
B02400	Net returned payments for share from subsidiary liquidation	-	(5,285)
B02700	Acquisition of property, plant and equipment	(438,271)	(1,263,391)
B02800	Proceeds from liquidation of property, plant and equipment	263,177	362,256
B03700	Increase in refundable deposits	(1,445)	(16,796)
B03800	Decrease in refundable deposits	2,928	12,381
B04300	Increase in other Accounts receivable – related parties	(8,009)	-
B04500	Acquisition of intangible assets	(565)	(1,430)
B05350	Acquisition of the right-of-use assets	-	(1,629)
B05500	Proceeds from disposal of real estate investments	43,030	-
B06700	Increase in prepayment for equipment	(12,866)	(117,386)
B06800	Decrease in long-term receivables	1,355	1,798
B07600	Received dividends from associated companies	7,949	-
B09900	Subsidies from the right-of-use assets	-	25,697
BBBB	Net cash used in investing activities	(985,130)	(1,392,522)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term debts	29,164,154	27,027,237
C00200	Decrease in short-term debts	(27,574,750)	(26,836,058)
C00500	Increase in short-term notes and bills payable	3,948,627	3,704,716
C00600	Decrease in short-term notes and bills payable	(3,638,916)	(3,767,743)
C01600	Loan of long-term debt	5,023,231	12,974,615
C01700	Repayment of long-term debt	(6,105,032)	(11,911,926)
C03000	Increase in deposits received	6,224	10,382
C03100	Decrease in deposits received	(8,010)	(8,273)
C03600	Decrease in other payables	-	(44,500)
C03700	Increase in other payables= related parties	175,660	203,842
C03800	Decrease in other payables= related parties	(181,974)	(481,156)
C04020	Repayment of the principal portion of lease liabilities	(47,391)	(43,565)
C04500	Net cash used in financing activities	(622,512)	(543,863)
C04600	Issuance of common stock for cash	-	1,097,250
C05400	Issuance of Subsidiary's common stock for cash	211,104	94,081
C09900	Acquisition of ownership interests in subsidiaries	(96,279)	(21,664)
CCCC	Net cash generated from financing activities	254,136	1,453,375
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	8,106	(51,326)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(119,867)	613,515
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,343,347	729,832
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,223,480	$ 1,343,347

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

Case 2： Board of Directors

Cause of action：According to the company’s 2020 Deficit Compensated Case, please acknowledge it.

Explanation： (1) The company's 2020 statement of deficit compensated has been compiled as follows.

(2) Approved by the company's board of directors on March 15, 2021.

DE LICACY INDUSTRIAL CO., LTD.
statement of deficit compensated
2020

Unit: New Taiwan Dollar

Item	Amount
Undistributed surplus at the beginning of the period (loss to be made up)	$ 10,443,112
Add: Re-measurements of the defined benefit plans are recognized in retained earnings	22,711,594
Add: other comprehensive profit and loss components of long-term equity investment	620,639
Add: Dispose of equity instruments measured at fair value through other comprehensive gains and losses, and increase retained earnings	11,427,828
Adjusted undistributed surplus	45,203,173
2020 net loss after tax	(207,286,476)
Legal reserve to make up for the loss	162,083,303
Distributable surplus for the current period	$ 0

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

Resolution:

Discussion matters

Case 1： Board of Directors

Cause of action: The proposal to amend the "Rules of Procedures for Shareholders' Meetings" of the company, please referendum.

Explanation: 1.In accordance with the articles of Taiwan Stock Exchange Co., Ltd., Taiwan Securities Governance Zi No. 1100001446 on January 28, 2021, Articles 3, 8 and 11 of the "Rules of Procedures for Shareholders' Meetings" of the company have been amended.

2.The comparison table of revised articles is as follows:

Article to be amended	Current Article	Explanation
Article 3 1.Omitted. 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	Article 3 1.Omitted. 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 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; The main content may be placed on the website designated by the securities authority or the company, and the website shall be included in the notice. Where re-election of all directors and supervisors as well as their	Adjust the announcement method in line with the articles.

securities affairs or the corporation, and such website shall be indicated in the above notice. The following is omitted.	inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. The following is omitted.	
Article 8 1.Omitted. 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. The following is omitted.	Article 8 1.Omitted. 2.The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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. The following is omitted	In order to improve corporate governance and safeguard the rights and interests of shareholders, the second paragraph is amended.
Article 11 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	Article 11 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	In order to improve corporate governance and safeguard the rights and interests of shareholders, the first paragraph is amended.

immediately, including the names of those elected as directors and the numbers of votes with which they were elected. 2.Omitted.	names of those elected as directors and the numbers of votes with which they were elected. 2.Omitted.	

Resolution:

Case 2:

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$0.30 per share in proportion to their holdings, and the total amount is NT$115,369,696.
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 (2020.06.11)

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 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. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

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. he chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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.

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.

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 2020</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</td></tr>
<tr><td colspan="2">Number of allotment shares per share for capital increase from earnings</td><td>0.30 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 2021 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 2020 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 12, 2021

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: Guo Junxiong		
Independent director	Huang Junren	60,577	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		33,362,514	8.67%

Note: The book closure date of this regular shareholder meeting is from 2021.04.12 to 2021.06.10.