

Stock Code: 1218



Taisun Enterprise Co., Ltd.

2021 Annual Meeting of Shareholders

Procedure Handbook

Date: 9:00 am on May 27, 2021

Venue: No.6 Xinggong Road, Tianzhong Town, Zhanghua County (Staff Training Center of the Company)

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Taisun Enterprise Co., Ltd.

Procedure of 2021 Annual Meeting of Shareholders

1. Call Meeting to Order
2. Chairperson Remarks
3. Management Presentation (Company Reports)
4. Proposals
5. Discussion
6. Questions and Motions
7. Adjournment

Taisun Enterprise Co., Ltd.

2021 Annual Meeting of Shareholders

I. Time: 9:00 am on May 27 (Thursday), 2021

II. Venue: No.6 Xinggong Road, Tianzhong Town, Zhanghua County (Staff Training Center of the Company)

III. The Chairperson calls the meeting to order

IV. Chairperson Remarks

V. Management Presentation (Company Reports)

1. Report on the Company's business report in **2020**
2. Audit Committee's audit report of **2020**
3. Report on the distribution of remuneration to employees and directors for **2020**

VI. Proposals

1. Adoption of the **2020** business report and financial statements.
2. Adoption of **2020** profit distribution motion.

VII. Discussion

1. Amendments to the Company's Rules of Procedure for Shareholders' Meetings
2. Amendments to the Company's Methods for the Election of Directors

VIII. Questions and Motions

IX. Adjournment

©Management Presentation (Company Reports)

<Case 1>

Description: The Company's 2020 business report.

Explanation: Please refer to pages 11 - 12 of this handbook for the Company's 2020 business report.

©Management Presentation (Company Reports)

<Case 2>

Description: The Company's 2020 Audit Committee's Audit Report.

Explanation:

- (1) The Company's 2020 final accounts have been audited by the Audit Committee and the Audit Committee's Audit Report has been issued accordingly.
- (2) Please refer to page 13 of the handbook for the Audit Committee's Audit Report.

©Management Presentation (Company Reports)

<Case 3>

Description: The Company's distribution of remuneration to employees and directors for 2020

Explanation: According to the Articles of Incorporation, it is proposed to appropriate NT\$49,187,516 as remuneration to employees and NT\$34,431,261 as remunerations to directors; both will be distributed in cash, and there is no difference from the recognized amount.

©Proposals

<Case 1>: Proposed by the Board of Directors

Motion: Adoption of 2020 business report and financial statements.

Explanation:

- (1) The Company's 2020 balance sheet, comprehensive income statement, statement of changes in equity, cash flow statement and consolidated financial statements have been audited by independent auditors and approved by the Board of Directors together with the business report on March 25, 2021, and are under the review of the Audit Committee. Please refer to pages 11-12 and 14-31 of this handbook.
- (2) The case is herewith presented for adoption.

Resolution:

◎Proposals

<Case 2>: Proposed by the Board of Directors

Motion: Adoption of 2020 profit distribution scheme.

Explanation:

- (1) The Company's 2020 after-tax net profit is NT\$851,077,855. Please refer to page 32 of this handbook for the profit distribution scheme.
- (2) The case is herewith presented for adoption.

Resolution:

©Discussion

<Case 1>: Proposed by the Board of Directors

Description: Amendments to the Company's Rules of Procedure for Shareholders' Meetings

Explanation:

- (1) In accordance with the laws and regulations, it is proposed to amend the Company's Rules of Procedure for Shareholders' Meetings. Please refer to pages 33 of this handbook for the comparison table before and after the amendments.
- (2) The case is herewith presented for discussion.

Resolution:

©Discussion

<Case 2>: Proposed by the Board of Directors

Description: Amendments to the Company's Methods for Election of Directors

Explanation:

- (1) In accordance with the laws and regulations, it is proposed to amend the Company's Methods for Election of Directors. Please refer to pages 34-35 of this handbook for the comparison table before and after the amendments.
- (2) The case is herewith presented for discussion.

Resolution:

©Questions and Motions

©Adjournment

Attachment 1

Taisun Enterprise Co., Ltd. Business Report

1. 2020 Operating Results

1. Consolidated Revenue and Profit

The net consolidated operating income of the Company in 2020 was NT\$8,356,125 thousand, an increase of NT\$355,541 thousand compared with that in 2019; the net operating profit was NT\$316,542 thousand, an increase of NT\$156,335 thousand compared with that in 2019; the net profit after tax was NT\$851,541 thousand, an increase of NT\$269,340 thousand compared with that of the previous year.

2. Consolidated Profitability Performance

Item	2020	2019
Gross profit margin	19.63%	18.19%
Net profit rate	10.19%	7.28%
Return on equity	12.49%	8.95%
Earnings per share	NT\$1.75	NT\$1.2

3. Business Policy

In 2020, the global economy stopped a little due to COVID-19. As a result, the Company's business has seen a roller coaster ride - in the first half of 2020, industries all over the world suffered an economic depression; in the second half of the year, however, our consumer food products performed well despite the pandemic outbreak, bringing positive growth to the Company with great results!

In terms of oilseeds, we keep a close eye on the international market while flexibly adjusting the supply and cost of raw materials; in terms of sales, we proactively develop new market strategies and new products. Our revenue and profitability were able to stay stable to respond to market changes, generating additional profits.

Under the impact of the government's sparse and extended breeding policy, demand for aquatic feeds has decreased but there was still a profit. We at the same time continue to develop to higher margins of expanded feed. Under the severe impact of the COVID-19 outbreak, the strategy of our business in China has been proactively adjusted and expenses cut. Therefore, it was able to retain profits for the Group.

For over 70 years since our establishment, we have been committed to exercising our 3 beliefs - safe, tasty and healthy. We ensure food safety via strict control in terms of raw materials and finished products. In 2014, we attained the first SQF Level 3 Facility Certification in Taiwan. When it comes to food safety, we have always adopted the highest standards to meet different challenges of the times. Meanwhile, we will also achieve our operational objectives to ensure the momentum of its revenue growth year after year.

2. 2021 Business Plan

1. Business Policy

- (1) Implement Environmental, social, and corporate governance (ESG) factors for sustainable business.
- (2) Develop new products and markets.
- (3) Construct new production lines and upgrading equipment.

2. Operating Objectives

- (1) The oil business includes oil products and soybean powder and the sales volume is expected to be 254 thousand tons.
- (2) The food business includes normal temperature and cold storage items, with an estimated sales volume of 15.55 million cases.
- (3) The aquatic business includes general and extruded materials, and the estimated sales volume is 21 thousand tons.

This is the end of my report. I hope that all shareholders will continue to give their support and advice and I wish you good health and all the best!

Chairman: Peter Chan

Manager: Fred Chan

Chief Accountant: Gu-Long Yan

Attachment 2

Taisun Enterprise Co., Ltd. Audit Committee's Audit Report

The Board of Directors have prepared and submitted the Company's 2020 business report, financial statements and profit distribution scheme. The financial statements have been audited and completed by Tseng Kuo-Yang and Chen Cong-Che, certified public accountants of KPMG, and an audit report has been issued accordingly. The above-mentioned business report, financial statements and profit distribution scheme have not been found to be inconsistent after the audit by this Audit Committee, therefore we have prepared the report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To

The Company's 2021 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee: Wu Chieh-Hsin

March 25, 2021



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the financial statements of Taisun Enterprise Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(q) “Revenue” and Note 6(s) “Revenue from Contracts with Customers” for details on revenue recognition.

Description of key audit matter:

The Company engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Group's products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Company and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Our audit procedures include:

Understanding and evaluating the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; also random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

We also assessed whether the Company's disclosure of information on revenue recognition was appropriate.

2. Accounts receivable evaluation

Please refer to Note 4(f) for accounting policy about accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

Description of key audit matter:

Since the Company's accounts receivable stands a significant ratio in the total asset of the statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

Our audit procedures include:

Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

We also assessed whether the Company's disclosure of information on account receivables was appropriate.

3. Inventory valuation

Please refer to Note 4(g) for consolidated financial statement for accounting policies on measuring inventory, and for assumptions used and uncertainties of inventory, please refer to Note 5(b). For inventory falling price loss and loss on obsolescence, please refer to Note 6(f).

Description of key audit matter:

The inventory of the Company is key asset for its operations. The inventory is evaluated whether the product is sluggish due to the fluctuations of the market. Therefore, the inventory evaluation test is one our key audit matters.

Our audit procedures include:

Testing the accuracy of the inventory aging report by sampling the nature of the inventory; evaluating the rationality of the management's judgement on the proportion of slow moving inventories; examining the latest sales price of inventory to determine whether the sales promotion rate is reasonable; assessing whether the allowance on inventory recognized by the management is reasonable.

We also assessed whether the Company's disclosure of information on inventory allowances was appropriate.

Other Matter

We did not audit the financial statements of certain associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 38.13% and 36.73% of total assets on December 31, 2020 and 2019; and the related share of profit of associates accounted for using the equity method constituting 57.61% and 71.92% of total profit before tax for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2021

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 580,448	7	886,133	10	2100	Short-term borrowings (Note 6(j))	\$ 108,027	1	272,609	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	75,029	1	67,384	1	2110	Short-term notes and bills payable (Note 6(k))	-	-	100,000	1
1150	Notes receivable, net (Note 6(d))	105,333	1	94,996	1	2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	853	-	1,451	-
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	2,700	-	2,344	-	2150	Notes payable	278	-	1,897	-
1170	Accounts receivable, net (Note 6(d))	353,733	4	313,791	4	2170	Accounts payable (Notes 6(l) and 7)	461,948	5	398,360	4
1180	Accounts receivable due from related parties, net(Notes 6(d) and 7)	679,976	8	603,687	7	2200	Other payables (Notes 6(o) and 7)	365,613	4	334,407	4
1200	Other receivables (Note 6(e))	2,777	-	3,453	-	2230	Current tax liabilities (Note 6(p))	29,689	-	29,123	-
1210	Other receivables due from related parties, net (Notes 6(e) and 7)	60,385	1	108,878	1	2322	Long-term borrowings, current portion (Note 6(m))	-	-	75,000	1
1310	Inventories, manufacturing business (Note 6(f))	525,459	6	641,815	7	2399	Other current liabilities, others	16,559	-	15,359	-
1400	Current biological assets	21,827	-	14,589	-		Total current liabilities	<u>982,967</u>	<u>10</u>	<u>1,228,206</u>	<u>13</u>
1421	Prepayments to suppliers	287,528	3	179,084	2	Non-Current liabilities:					
1429	Other prepayments	27,372	-	30,682	-	2540	Long-term borrowings (Note 6(m))	600,000	7	687,500	8
1476	Other current financial assets (Notes 6(a) and 8)	146,816	2	286,007	3	2570	Deferred tax liabilities (Note 6(p))	222,537	3	222,537	3
1479	Other current assets, others	4,747	-	11,477	-	2640	Non-current net defined benefit liability (Note 6(o))	-	-	1,447	-
	Total current assets	<u>2,874,130</u>	<u>33</u>	<u>3,244,320</u>	<u>36</u>	2670	Other non-current liabilities, others	3,068	-	3,516	-
Non-current assets:							Total non-current liabilities	<u>825,605</u>	<u>10</u>	<u>915,000</u>	<u>11</u>
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	145,823	2	44,803	1		Total liabilities	<u>1,808,572</u>	<u>20</u>	<u>2,143,206</u>	<u>24</u>
1550	Investments accounted for using equity method (Notes 6(g) and 8)	3,705,288	42	3,454,106	40	Equity attributable to owners of parent (Note 6(q)):					
1600	Property, plant and equipment (Note 6(h))	1,529,582	17	1,427,406	17	3110	Ordinary share	4,999,990	57	4,999,990	57
1760	Investment property, net (Note 6(i))	537,438	6	538,817	6	3200	Capital surplus	974,083	11	961,786	11
1780	Intangible assets	4,225	-	6,911	-		Retained earnings:				
1830	Non-current biological assets	6,710	-	6,691	-	3310	Legal reserve	126,621	1	69,197	1
1840	Deferred tax assets (Note 6(p))	2,714	-	11,882	-	3320	Special reserve	240,776	3	240,776	3
1975	Net defined benefit asset, non-current (Note 6(o))	18,949	-	-	-	3350	Unappropriated retained earnings	964,748	11	639,083	7
1980	Other non-current financial assets	10,178	-	8,158	-	3400	Other equity interest	(75,877)	(1)	(107,068)	(1)
	Total non-current assets	<u>5,960,907</u>	<u>67</u>	<u>5,498,774</u>	<u>64</u>	3500	Treasury shares	(203,876)	(2)	(203,876)	(2)
	Total assets	<u>\$ 8,835,037</u>	<u>100</u>	<u>8,743,094</u>	<u>100</u>		Total equity	<u>7,026,465</u>	<u>80</u>	<u>6,599,888</u>	<u>76</u>
							Total liabilities and equity	<u>\$ 8,835,037</u>	<u>100</u>	<u>8,743,094</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(s) and 7)	\$ 7,140,795	100	6,837,543	100
5000 Operating costs (Notes 6(f) and 7)	5,982,205	84	5,829,458	85
5910 Less: Unrealized profit (loss) from sales	16,462	-	15,196	-
5920 Add: Realized profit (loss) on from sales	15,196	-	15,939	-
5900 Gross profit from operations	<u>1,157,324</u>	<u>16</u>	<u>1,008,828</u>	<u>15</u>
6000 Operating expenses (Notes 6(d), (o), (t) and 7):				
6100 Selling expenses	599,706	8	581,392	9
6200 Administrative expenses	321,505	5	307,762	5
6450 Expected credit loss	263	-	2,500	-
Total operating expenses	<u>921,474</u>	<u>13</u>	<u>891,654</u>	<u>14</u>
6900 Net operating income	<u>235,850</u>	<u>3</u>	<u>117,174</u>	<u>1</u>
7000 Non-operating income and expenses:				
7020 Other gains and losses, net (Note 6(u))	55,992	1	32,332	-
7050 Finance costs, net (Note 6(u))	(11,354)	-	(17,247)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net (Note 6(g))	611,212	9	467,426	7
7100 Total interest income (Notes 6(u) and 7)	8,432	-	12,034	-
Total non-operating income and expenses	<u>664,282</u>	<u>10</u>	<u>494,545</u>	<u>7</u>
Profit from continuing operations before tax	900,132	13	611,719	8
7950 Less: Income tax expenses (Note 6(p))	49,054	1	29,646	-
Profit	<u>851,078</u>	<u>12</u>	<u>582,073</u>	<u>8</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains on remeasurements of defined benefit plans (Note 6(o) and (q))	1,631	-	8,039	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	29,461	-	9,721	-
8330 Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(15,063)	-	(4,895)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<u>16,029</u>	<u>-</u>	<u>12,865</u>	<u>-</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(2,828)	-	(2,734)	-
8380 Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	(644)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<u>(2,828)</u>	<u>-</u>	<u>(3,378)</u>	<u>-</u>
8300 Other comprehensive income	<u>13,201</u>	<u>-</u>	<u>9,487</u>	<u>-</u>
Total comprehensive income	<u>\$ 864,279</u>	<u>12</u>	<u>591,560</u>	<u>8</u>
Basic earnings per share (Note 6(r))				
9750 Basic earnings per share	<u>\$ 1.75</u>		<u>1.20</u>	
9850 Diluted earnings per share	<u>\$ 1.74</u>		<u>1.19</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest				Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest			
Balance at January 1, 2019	\$ 4,999,990	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	(124,383)	(203,876)	6,397,441	
Profit	-	-	-	-	582,073	582,073	-	-	-	-	582,073	
Other comprehensive income	-	-	-	-	4,662	4,662	(3,378)	8,203	4,825	-	9,487	
Total comprehensive income	-	-	-	-	586,735	586,735	(3,378)	8,203	4,825	-	591,560	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	46,445	-	(46,445)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(399,999)	(399,999)	-	-	-	-	(399,999)	
Other changes in capital surplus:												
Adjustments of capital surplus for the Company's cash dividends distributed to subsidiaries	-	10,886	-	-	-	-	-	-	-	-	10,886	
Disposal of investments in equity instruments designated at fair value through other comprehensive income by affiliates through the equity method	-	-	-	-	(12,490)	(12,490)	-	12,490	12,490	-	-	
Balance at December 31, 2019	4,999,990	961,786	69,197	240,776	639,083	949,056	(29,042)	(78,026)	(107,068)	(203,876)	6,599,888	
Profit	-	-	-	-	851,078	851,078	-	-	-	-	851,078	
Other comprehensive income	-	-	-	-	(17,404)	(17,404)	(2,828)	33,433	30,605	-	13,201	
Total comprehensive income	-	-	-	-	833,674	833,674	(2,828)	33,433	30,605	-	864,279	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	57,424	-	(57,424)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(449,999)	(449,999)	-	-	-	-	(449,999)	
Other changes in capital surplus:												
Adjustments of capital surplus for Company's cash dividends distributed to subsidiaries	-	12,297	-	-	-	-	-	-	-	-	12,297	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(586)	(586)	-	586	586	-	-	
Balance at December 31, 2020	\$ 4,999,990	974,083	126,621	240,776	964,748	1,332,145	(31,870)	(44,007)	(75,877)	(203,876)	7,026,465	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 900,132	611,719
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	64,398	63,044
Amortization expense	2,686	3,802
Expected credit losses	263	2,500
Net gains on financial assets or liabilities at fair value through profit or loss	(7,627)	(2,340)
Interest expense	11,354	17,247
Interest income	(8,432)	(12,034)
Dividend income	(6,222)	(5,269)
Shares of profit of subsidiaries, associates and joint ventures accounted for using equity method	(611,212)	(467,426)
Gains on disposal of property, plan and equipment	(769)	(377)
Gains on disposal of non-current assets classified as held-for-sale	-	(9,420)
Gains on disposal of investments	(3,755)	-
Unrealized profit from sales	16,462	15,196
Realized profit on from sales	(15,196)	(15,939)
Others	6,000	-
Total adjustments to reconcile profit (loss)	<u>(552,050)</u>	<u>(411,016)</u>
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(3,354)	(14,261)
Increase in notes receivable	(10,337)	(2,902)
(Increase) decrease in notes receivable due from related parties	(356)	199,631
Increase in accounts receivable	(40,205)	(35,678)
Increase in accounts receivable due from related parties	(76,289)	(161,733)
Decrease (increase) in other receivables	676	(260)
Decrease in other receivable due from related parties	-	3,186
Decrease (increase) in inventories	116,356	(70,985)
Increase in biological assets	(9,614)	(3,422)
Increase in prepayments	(93,594)	(1,744)
Decrease in other current assets	730	3,616
Increase in net defined benefit assets	(18,949)	-
Increase in financial liabilities at fair value through profile or loss	2,738	2,938
Decrease in notes payable	(1,619)	(65,538)
Increase in accounts payable	63,588	153,763
Increase in other payables	19,667	82,807
Increase in other current liabilities	1,200	2,380
Increase (decrease) in net defined benefit liabilities	184	(22,079)
Total adjustments	<u>(601,228)</u>	<u>(341,297)</u>
Cash inflow generated from operations	298,904	270,422
Interest received	8,432	12,034
Interest paid	(11,354)	(17,247)
Income taxes paid	(39,320)	(523)
Net cash flows from operating activities	<u>256,662</u>	<u>264,686</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD.

Parent Company only Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(72,873)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,314	-
Acquisition of investments accounted for using equity method	-	(12,565)
Proceeds from disposal of investments accounted for using equity method	4,883	-
Proceeds from disposal of non-current assets classified as held-for-sale	-	54,312
Acquisition of property, plant and equipment	(166,467)	(105,237)
Proceeds from disposal of property, plant and equipment	4,397	1,676
Decrease in other receivables due from related parties	48,493	48,294
Increase in other financial assets	(144,560)	(284,030)
Decrease in other financial assets	281,731	-
Dividends received	358,264	316,844
Net cash flows from investing activities	315,182	19,294
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	6,254,213	6,439,195
Decrease in short-term loans borrowings	(6,418,795)	(6,216,586)
Increase in short-term notes and bills payable	2,245,000	3,260,000
Decrease in short-term notes and bills payable	(2,345,000)	(3,890,000)
Proceeds from long-term borrowings	600,000	650,000
Repayments of long-term borrowings	(762,500)	(260,248)
Decrease in other non-current liabilities	(448)	(3,165)
Cash dividends paid	(449,999)	(399,999)
Net cash flows used in financing activities	(877,529)	(420,803)
Net decrease in cash and cash equivalents	(305,685)	(136,823)
Cash and cash equivalents at beginning of period	886,133	1,022,956
Cash and cash equivalents at end of period	\$ 580,448	886,133

See accompanying notes to parent company only financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Taisun Enterprise Co., Ltd. (“the Company”), and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the 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 with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(r) “Revenue” and Note 6(v) “Revenue from Contracts with Customers” for details on revenue recognition.

Description of key audit matter:

The Group engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Group's products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Group and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

Our audit procedures include:

Understanding and evaluating the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; also random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

We also assessed whether the Group's disclosure of information on revenue recognition was appropriate.

2. Accounts receivable evaluation

Please refer to Note 4(g) for accounting policy about accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

Description of key audit matter:

Since the Group's accounts receivable stands a significant ratio in the total asset of the consolidated statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

Our audit procedures include:

Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

We also assessed whether the Group's disclosure of information on account receivables was appropriate.

3. Inventory valuation

Please refer to Note 4(h) for consolidated financial statement for accounting policies on measuring inventory, and for assumptions used and uncertainties of inventory, please refer to Note 5(b). For inventory falling price loss and loss on obsolescence, please refer to Note 6(f).

Description of key audit matter:

The inventory of the Group is key asset for the company's operations. The inventory is evaluated whether the product is sluggish due to the fluctuations of the market. Therefore, the inventory evaluation test is one our key audit matters.

Our audit procedures include:

Testing the accuracy of the inventory aging report by sampling the nature of the inventory; evaluating the rationality of the management's judgement on the proportion of slow moving inventories; examining the latest sales price of inventory to determine whether the sales promotion rate is reasonable; assessing whether the allowance on inventory recognized by the management is reasonable.

We also assessed whether the Group's disclosure of information on inventory allowances was appropriate.

Other Matter

We did not audit the financial statements of associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 36.46% and 34.79% of the consolidated total assets at December 31, 2020 and 2019, respectively, and the related share of profit of associates accounted for using the equity method constituting 57.23% and 70.77% of the consolidated total profit before tax for the years then ended, respectively.

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)

March 25, 2021

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 772,454	9	1,147,024	12	2100	Short-term borrowings (Note 6(l))	\$ 148,027	2	277,609	3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	82,776	1	74,467	1	2110	Short-term notes and bills payable (Note 6(m))	20,000	-	261,000	3
1150	Notes receivable, net (Note 6(d))	137,198	1	125,217	1	2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	853	-	1,451	-
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	2,700	-	2,318	-	2130	Current contract liabilities (Note 6(v))	39,800	-	45,162	-
1170	Accounts receivable, net (Note 6(d))	654,035	7	613,317	7	2150	Notes payable	1,857	-	5,373	-
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	367,324	4	332,721	4	2170	Accounts payable (Notes 6(n) and 7)	526,122	6	457,543	6
1200	Other receivables, net (Note 6(e))	6,970	-	6,127	-	2200	Other payables (Notes 6(r) and (w))	465,552	5	404,415	5
1220	Total current tax assets	1,502	-	-	-	2230	Current tax liabilities (Note 6(s))	29,772	-	32,513	-
1310	Inventories, manufacturing business	572,498	6	680,300	7	2280	Current lease liabilities (Note 6(q))	1,634	-	2,202	-
1400	Current biological assets	21,827	-	14,589	-	2322	Long-term borrowings, current portion (Note 6(o))	-	-	75,000	1
1421	Prepayments to suppliers	287,762	3	181,663	2	2399	Other current liabilities, others (Note 7)	141,629	2	135,950	1
1429	Other prepayments	32,495	-	34,777	-		Total current liabilities	<u>1,375,246</u>	<u>15</u>	<u>1,698,218</u>	<u>19</u>
1460	Non-current assets classified as held for sale, net (Note 6(g))	-	-	6,562	-		Non-Current liabilities:				
1476	Other current financial assets (Notes 6(a) and 8)	272,796	3	329,225	4	2540	Long-term borrowings (Note 6(o))	600,000	7	687,500	7
1479	Other current assets, others	6,334	-	13,305	-	2570	Deferred tax liabilities (Note 6(s))	222,537	2	222,537	2
	Total current assets	<u>3,218,671</u>	<u>34</u>	<u>3,561,612</u>	<u>38</u>	2580	Non-current lease liabilities (Note 6(q))	-	-	1,634	-
Non-current assets:						2640	Net defined benefit liability, non-current (Note 6(r))	5,576	-	7,745	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(e))	172,581	2	61,616	1	2670	Other non-current liabilities, others	5,304	-	6,540	-
1550	Investments accounted for using equity method (Notes 6(h) and 8)	3,368,637	37	3,211,431	35		Total non-current liabilities	<u>833,417</u>	<u>9</u>	<u>925,956</u>	<u>9</u>
1600	Property, plant and equipment (Note 6(i))	1,798,417	20	1,714,062	19		Total liabilities	<u>2,208,663</u>	<u>24</u>	<u>2,624,174</u>	<u>28</u>
1755	Right-of-use assets (Note 6(j))	13,091	-	15,629	-		Equity attributable to owners of parent (Note 6(t)):				
1760	Investment property, net (Note 6(k))	616,818	7	617,829	7	3110	Ordinary share	4,999,990	54	4,999,990	54
1780	Intangible assets	4,411	-	7,045	-	3200	Capital surplus	974,083	11	961,786	10
1830	Non-current biological assets	6,710	-	6,691	-		Retained earnings:				
1840	Deferred tax assets (Note 6(s))	7,659	-	21,895	-	3310	Legal reserve	126,621	1	69,197	1
1915	Prepayments for business facilities	-	-	1,981	-	3320	Special reserve	240,776	3	240,776	3
1975	Net defined benefit asset, non-current (Note 6(r))	21,760	-	-	-	3350	Unappropriated retained earnings	964,748	10	639,083	7
1980	Other non-current financial assets	11,510	-	9,556	-	3400	Other equity interest	(75,877)	(1)	(107,068)	(1)
	Total non-current assets	<u>6,021,594</u>	<u>66</u>	<u>5,667,735</u>	<u>62</u>	3500	Treasury shares	(203,876)	(2)	(203,876)	(2)
							Total equity attributable to owners of parent:	<u>7,026,465</u>	<u>76</u>	<u>6,599,888</u>	<u>72</u>
						36XX	Non-controlling interests	5,137	-	5,285	-
							Total equity	<u>7,031,602</u>	<u>76</u>	<u>6,605,173</u>	<u>72</u>
Total assets		<u>\$ 9,240,265</u>	<u>100</u>	<u>9,229,347</u>	<u>100</u>	Total liabilities and equity		<u>\$ 9,240,265</u>	<u>100</u>	<u>9,229,347</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(v) and 7)	\$ 8,356,125	100	8,000,584	100
5000 Operating costs (Notes 6(f) and 7)	6,715,645	80	6,545,893	82
5910 Less: Unrealized profit (loss) from sales	702	-	721	-
5920 Add: Realized profit (loss) on from sales	721	-	1,500	-
Gross profit from operations	<u>1,640,499</u>	<u>20</u>	<u>1,455,470</u>	<u>18</u>
Operating expenses (Notes 6(d), (r), (w) and 7):				
6100 Selling expenses	914,278	11	895,650	11
6200 Administrative expenses	410,072	5	399,766	5
6450 Expected credit gain	(393)	-	(153)	-
Total operating expenses	<u>1,323,957</u>	<u>16</u>	<u>1,295,263</u>	<u>16</u>
Net operating income	<u>316,542</u>	<u>4</u>	<u>160,207</u>	<u>2</u>
Non-operating income and expenses:				
7020 Other gains and losses, net (Note 6(x))	74,482	1	29,135	-
7050 Finance costs, net (Note 6(x))	(14,409)	-	(19,291)	-
7060 Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(h))	518,573	6	439,965	5
7100 Total interest income	10,862	-	11,620	-
Total non-operating income and expenses	<u>589,508</u>	<u>7</u>	<u>461,429</u>	<u>5</u>
7900 Profit from continuing operations before tax	906,050	11	621,636	7
7950 Less: Income tax expenses ((Note 6(s))	54,509	1	39,435	-
Profit	<u>851,541</u>	<u>10</u>	<u>582,201</u>	<u>7</u>
8300 Other comprehensive income (Note 6(r) and (t)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 (Losses) gains on remeasurements of defined benefit plans	(12,888)	-	7,654	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	38,568	-	10,631	-
8320 Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(9,873)	-	(5,401)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<u>15,807</u>	<u>-</u>	<u>12,884</u>	<u>-</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(2,828)	-	(2,734)	-
8370 Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	(644)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<u>(2,828)</u>	<u>-</u>	<u>(3,378)</u>	<u>-</u>
8300 Other comprehensive income, net	<u>12,979</u>	<u>-</u>	<u>9,506</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ 864,520</u>	<u>10</u>	<u>591,707</u>	<u>7</u>
Profit, attributable to:				
8610 Owners of parent	\$ 851,078	10	582,073	7
8620 Non-controlling interests	463	-	128	-
Profit	<u>\$ 851,541</u>	<u>10</u>	<u>582,201</u>	<u>7</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 864,279	10	591,560	7
8720 Non-controlling interests	241	-	147	-
Total comprehensive income	<u>\$ 864,520</u>	<u>10</u>	<u>591,707</u>	<u>7</u>
Basic earnings per share (Note 6(u))				
9750 Basic earnings per share	<u>\$ 1.75</u>		<u>1.20</u>	
9850 Diluted earnings per share	<u>\$ 1.74</u>		<u>1.19</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Share capital		Retained earnings				Total other equity interest						Non-controlling interests
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent		
Balance at January 1, 2019	\$ 4,999,990	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	(124,383)	(203,876)	6,397,441	5,268	6,402,709
Profit	-	-	-	-	582,073	582,073	-	-	-	-	582,073	128	582,201
Other comprehensive income	-	-	-	-	4,662	4,662	(3,378)	8,203	4,825	-	9,487	19	9,506
Total comprehensive income	-	-	-	-	586,735	586,735	(3,378)	8,203	4,825	-	591,560	147	591,707
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	46,445	-	(46,445)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(399,999)	(399,999)	-	-	-	-	(399,999)	-	(399,999)
Other changes in capital surplus:													
Adjustments of capital surplus for the Company's cash dividends distributed to subsidiaries	-	10,886	-	-	-	-	-	-	-	-	10,886	-	10,886
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(130)	(130)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by affiliates through the equity method	-	-	-	-	(12,490)	(12,490)	-	12,490	12,490	-	-	-	-
Balance at December 31, 2019	4,999,990	961,786	69,197	240,776	639,083	949,056	(29,042)	(78,026)	(107,068)	(203,876)	6,599,888	5,285	6,605,173
Profit	-	-	-	-	851,078	851,078	-	-	-	-	851,078	463	851,541
Other comprehensive income	-	-	-	-	(17,404)	(17,404)	(2,828)	33,433	30,605	-	13,201	(222)	12,979
Total comprehensive income	-	-	-	-	833,674	833,674	(2,828)	33,433	30,605	-	864,279	241	864,520
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	57,424	-	(57,424)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(449,999)	(449,999)	-	-	-	-	(449,999)	-	(449,999)
Other changes in capital surplus:													
Adjustments of capital surplus for the Company's cash dividends distributed to subsidiaries	-	12,297	-	-	-	-	-	-	-	-	12,297	-	12,297
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(389)	(389)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(586)	(586)	-	586	586	-	-	-	-
Balance at December 31, 2020	\$ 4,999,990	974,083	126,621	240,776	964,748	1,332,145	(31,870)	(44,007)	(75,877)	(203,876)	7,026,465	5,137	7,031,602

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 906,050	621,636
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	93,813	88,693
Amortization expense	2,819	4,700
Expected credit gains	(393)	(153)
Net gains on financial assets or liabilities at fair value through profit or loss	(8,291)	(3,731)
Interest expense	14,409	19,291
Interest income	(10,862)	(11,620)
Dividend income	(6,845)	(5,792)
Shares of profit of associates and joint ventures accounted for using equity method	(518,573)	(439,965)
Gains on disposal of property, plan and equipment	(1,166)	(383)
Gains on disposal of non-current assets classified as held-for-sale	(7,016)	(9,420)
Gain on disposal of investments	(3,755)	-
Unrealized profit from sales	702	721
Realized profit on from sales	(721)	(1,500)
Others	6,000	-
Total adjustments to reconcile profit (loss)	<u>(439,879)</u>	<u>(359,159)</u>
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(3,354)	(14,261)
Increase in notes receivable	(11,981)	(2,230)
Increase in notes receivable due from related parties	(382)	(2,318)
Increase in accounts receivable	(40,328)	(55,993)
(Increase) decrease in accounts receivable due from related parties	(34,603)	37,671
(Increase) decrease in other receivables	(820)	195
Decrease (increase) in inventories	108,024	(68,039)
Increase in biological assets	(9,614)	(3,422)
Increase in prepayments	(103,796)	(1,330)
Decrease in other current assets	753	3,698
Increase in defined benefit assets - non-current	(36,279)	-
Increase in financial liabilities at fair value through profit or loss	2,738	2,938
(Decrease) increase in contract liabilities	(5,657)	6,512
Decrease in notes payable	(3,516)	(63,899)
Increase in accounts payable	68,474	173,693
Increase in other payables	56,637	111,176
Increase in other current liabilities	5,502	13,580
Decrease in net defined benefit liabilities	(538)	(28,183)
Total changes in operating assets and liabilities, net	<u>(8,740)</u>	<u>109,788</u>
Total adjustments	<u>(448,619)</u>	<u>(249,371)</u>
Cash inflow generated from operations	457,431	372,265
Interest received	10,862	11,620
Interest paid	(14,409)	(19,291)
Income taxes paid	(44,515)	(3,401)
Net cash flows from operating activities	<u>409,369</u>	<u>361,193</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(74,388)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,314	-
Acquisition of investments accounted for using equity method	-	(12,565)
Proceeds from disposal of investments accounted for using equity method	4,883	-
Proceeds from capital reduction through financial assets at fair value through other comprehensive income	-	5
Proceeds from disposal of non-current assets classified as held-for-sale	12,465	54,312
Acquisition of property, plant and equipment	(175,442)	(124,362)
Proceeds from disposal of property, plant and equipment	12,959	6,029
Acquisition of intangible assets	(186)	-
Increase in other financial assets	(268,354)	(328,082)
Decrease in other financial assets	324,591	-
Increase in prepayments for business facilities	(4,658)	2,312
Dividends received	357,229	317,053
Net cash flows used in investing activities	190,413	(85,298)
Cash flows from (used in) financing activities:		
Increase in short-term loans	6,631,515	7,240,850
Decrease in short-term loans	(6,761,098)	(7,070,241)
Increase in short-term notes and bills payable	2,751,000	4,464,000
Decrease in short-term notes and bills payable	(2,992,000)	(5,023,000)
Proceeds from long-term debt	600,000	650,000
Repayments of long-term debt	(762,500)	(260,248)
Payment of lease liabilities	(2,202)	(2,086)
Increase in other non-current liabilities	(1,244)	(2,460)
Cash dividends paid	(437,702)	(400,129)
Net cash flows used in financing activities	(974,231)	(403,314)
Effect of exchange rate changes on cash and cash equivalents	(121)	(5,104)
Net decrease in cash and cash equivalents	(374,570)	(132,523)
Cash and cash equivalents at beginning of period	1,147,024	1,279,547
Cash and cash equivalents at end of period	\$ 772,454	1,147,024

See accompanying notes to consolidated financial statements.

Attachment 4

Taisun Enterprise Co., Ltd. Earnings Distribution Table for 2020

Unit: NT\$

Items	Amount
Undistributed earnings at beginning of period	131,658,539
Less: Disposal of equity instruments measured at fair value through other comprehensive income	(585,916)
Less: Changes of reevaluation of defined benefit plan in current period	(17,402,798)
Add: Net income in 2020	851,077,855
Less: Provision of legal reserve (10%)	(83,308,914)
Distributable earnings in current period	881,438,766
Less: Shareholders dividends in cash (at NT\$1.4/share)	(699,998,653)
Unappropriated retained earnings	181,440,113

Explanation:

1. The earnings in 2020 will be the first priority for distribution of earnings in current period.
2. The rate of dividends per share will be subject to adjustment by the actual outstanding shares as of the ex-dividends day.
3. Total cash dividend to Shareholders will be rounded off to the nearest dollar. The fraction of a share falling below NT\$1 will be recognized as other incomes of the Company.
4. In supporting the amendment to Article 66-9 of the Income Tax Act, the basis for the appropriation of legal reserve is revised as "Net income after taxation in current period plus additional items beyond net income after taxation in current period shall be counted as the undistributed earnings of current period".

Chairman: Peter Chan

Manager: Fred Chan

Chief Accounting Officer: Gu-Long Yan

Attachment 5

Taisun Enterprise Co., Ltd.

Comparing the Parliamentary Procedure for the Shareholders' Meeting before and after amendment

Before amendments	After amendments	Reason for amendments
<p>VI. The attendance of shareholders to the Shareholders' Meeting shall be based on the quantity of shares being represented. The quantity of shares being represented in the Shareholders' Meeting shall be based on the sign-in card submitted by the shareholders in session plus the votes cast under the power of attorney or electronic mean. The presiding officer shall announce the Shareholders' Meeting in session at the scheduled time. If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. Each duration of delay shall not be more than 1 hour. If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the presiding officer shall announce to defer the session. Subparagraph 2 is omitted</p>	<p>VI. The attendance of shareholders to the Shareholders' Meeting shall be based on the quantity of shares being represented. The quantity of shares being represented in the Shareholders' Meeting shall be based on the sign-in card submitted by the shareholders in session plus the votes cast under the power of attorney or electronic mean. The chair shall call the meeting to order at the appointed meeting time and <u>announce the information relating to the number of non-voting shares and the number of attending shares at the same time.</u> If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. Each duration of delay shall not be more than 1 hour. If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the presiding officer shall announce to defer the session. Subparagraph 2 is omitted</p>	<p>Amendments made to improve corporate governance and protect shareholders' rights.</p>
<p>XIV. Election may also be held in the Shareholders' Meeting, and shall be governed by the rules and regulations of the Company governing elections. The election results should be announced on the scene, including the list of winners and the votes earned. The ballots shall be kept properly for at least one year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.</p>	<p>XIV. Election may also be held in the Shareholders' Meeting, and shall be governed by the rules and regulations of the Company governing elections. The voting result of an election of directors shall be announced on the spot, including the names of those elected as directors, the number of votes they were elected <u>and the list of unsuccessful directors and the number of votes they received.</u> The ballots shall be kept properly for at least one year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.</p>	<p>Amendments made to improve corporate governance and protect shareholders' rights.</p>

Attachment 6

Taisun Enterprise Co., Ltd.

Comparing the Regulations Governing the Election of Directors before and after the amendment

Before amendments	After amendments	Reason for amendments
<p>VI. The Board shall produce the ballots for the election of Directors, and assign the sequence number identical with the attendance pass number and mark down the number of entitled votes on the ballots. The ballots will be distributed to the shareholders who will attend the meeting or the proxies of the shareholders. Shareholders elected to cast vote by electronic means or correspondence shall follow the instructions of balloting as prescribed in the notice of Shareholders' Meeting.</p>	<p>VI. <u>The convener of the shareholders' meeting</u> shall produce the ballots for the election of Directors, and assign the sequence number identical with the attendance pass number and mark down the number of entitled votes on the ballots. The ballots will be distributed to the shareholders who will attend the meeting or the proxies of the shareholders. Shareholders elected to cast vote by electronic means or correspondence shall follow the instructions of balloting as prescribed in the notice of Shareholders' Meeting.</p>	<p>Some wordings have been amended to accommodate the provisions of the Company Act regarding the right to convene a shareholders' meeting including the board meeting (Article 171), shareholders with minority rights (Article 173), and shareholders holding a majority of shares (Article 173-1).</p>
<p>VII. <u>If the candidate is a shareholder, mark down the account title and account number of the candidate in the field of "Candidate". If the candidate is not a shareholder, mark down the name and the identification document number of the candidate. Where the government institutional shareholders may be the candidates, mark down the name of the institution in the field of candidate, or the name of the government or institution and the name of the representative. If there are a few representatives, put down the names of all representatives.</u></p>	<p>VII. <u>The Company's election of directors adopts the candidate nomination system. Shareholders shall elect the candidates from the list of director candidates and "candidates" column of the ballot shall be filled in with reference to the list of candidates. However, this does not apply to the exercise of shareholders' voting rights by electronic means.</u></p>	<p>The amendment has been made as the Company adopts the candidate nomination system. Shareholders shall elect the candidates from the list of director candidates. The shareholders know the name and academic history of each candidate from the candidate list prior to the shareholders' meeting. The means to identify a candidate through the shareholders' account number or ID card number are no longer necessary.</p>
<p>VIII. A ballot shall be nullified if any of the following applies:</p> <ol style="list-style-type: none"> 1. Using ballots not prepared by <u>the Board</u> for the election. 2. Putting a blank ballot into the ballot box or outside the ballot box. 3. The ballot is stained; the hand-writing is blurred that cannot be identified or marked for correction. 	<p>VIII. A ballot shall be nullified if any of the following applies:</p> <ol style="list-style-type: none"> 1. Using ballots not prepared by <u>the Convener</u> for the election. 2. Putting a blank ballot into the ballot box or outside the ballot box. 3. The ballot is stained; the hand-writing is blurred that cannot be identified or marked for correction. 	<p>1. Paragraph 1 of this Article has been amended to accommodate the Measures. 2. To accommodate Article 7, Paragraphs 4 and 5 have been amended and 6 deleted; Paragraphs 7 and 8 have been moved to Paragraphs 6 (including amended wordings) paragraph 7.</p>

Before amendments	After amendments	Reason for amendments
<p>4. If the candidate marked down on the ballot is a <u>shareholder</u>, the <u>account name</u>, <u>account number</u> is not relevant <u>with the content of the shareholders' registry</u>. If the candidate marked down on the ballot is not a shareholder, the name, <u>ID number</u> was proven to be irrelevant.</p> <p>5. Further to the <u>name</u>, <u>account title</u>, <u>account number</u> or <u>identification document number</u> of the candidate, other wordings are written on the ballot.</p> <p>6. <u>The name of the candidate is identical with another shareholder but no account number or identification document number has been marked down for differentiation.</u></p> <p>7. <u>The names of two or more candidates</u> were marked down on one ballot or the number of candidates marked down on a ballot exceeds the limit. The total number of votes marked down on the ballots exceeds the total number of votes in the election.</p> <p>8. The candidates marked on the ballots are neither the candidates for Director nor for Independent Director.</p>	<p>4. The candidate whose name is entered in the ballot does not conform to the <u>list of director candidates</u>.</p> <p>5. Other words or marks are entered in addition to that of the <u>candidate to be elected</u>.</p> <p>6. <u>The number of candidates listed in the ballot exceeds the required number of candidates</u> <u>or</u> the number of candidates to be elected. The total number of votes marked down on the ballots exceeds the total number of votes in the election.</p> <p>7. The candidates marked on the ballots are neither the candidates for Director nor for Independent Director.</p>	
<p>IX. After the balloting, the votes will be counted on the scene. The presiding officer or the designated personnel shall announce the result of the election.</p> <p>The Company shall keep the ballots for the election specified in preceding paragraph for at least one year. In the event of legal proceedings instated pursuant to Article 189 of the Company Act by the Shareholders' Meeting, the ballots shall be kept until the conclusion of the proceedings.</p>	<p>IX. The voting result of an election of directors shall be announced on the spot, including <u>the names of those elected as directors, the number of votes they were elected and the list of unsuccessful directors and the number of votes they received.</u></p> <p>The Company shall keep the ballots for the election specified in preceding paragraph for at least one year. In the event of legal proceedings instated pursuant to Article 189 of the Company Act by the Shareholders' Meeting, the ballots shall be kept until the conclusion of the proceedings.</p>	<p>Amendments are made to accommodate related laws and regulations.</p>

Appendix I

Taisun Enterprise Co., Ltd. Articles of Incorporation

Chapter I General Provisions

Article 1: The Company is duly incorporated in accordance with the Company Act and bears the title of 泰山企業股份有限公司 in Chinese and TAISUN ENTERPRISE CO., LTD. in English.

Article 2: The Company is engaged in the following business:

- 1 C105010 Edible Oil and Fat Manufacturing
- 2 C201010 Feed Manufacturing
- 3 A101020 Growing of Crops
- 4 A301030 Aquaculture
- 5 A401020 Raising of Livestock and Poultry
- 6 F203030 Retail Sale of Alcohol
- 7 C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products
- 8 C104020 Manufacture of Bakery and Steam Products
- 9 F101040 Wholesale of Livestock and Poultry
- 10 F101050 Wholesale of Fishery Products
- 11 F102170 Wholesale of Foods and Groceries
- 12 C805030 Plastic Daily Necessities Manufacturing
- 13 C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
- 14 F201010 Retail Sale of Agricultural Products
- 15 A102060 Food Dealers
- 16 C102010 Manufacture of Dairy Products
- 17 C109010 Manufacture of Seasoning
- 18 F101130 Wholesale of Vegetables and Fruits
- 19 C199020 Edible Ice Manufacturing
- 20 F399010 Convenience Stores
- 21 F301020 Supermarkets
- 22 H701020 Industrial Factory Development and Rental
- 23 H701050 Investment, Development and Construction in Public Construction
- 24 C199040 Beans Processed Food Manufacturing
- 25 H701010 Housing and Building Development and Rental
- 26 C110010 Beverage Manufacturing
- 27 C111010 Tea Manufacturing
- 28 F102030 Wholesale of Tobacco and Alcohol
- 29 F102040 Wholesale of Nonalcoholic Beverages
- 30 F102050 Wholesale of Tea
- 31 F106020 Wholesale of Daily Commodities
- 32 F107030 Wholesale of Cleaning Supplies
- 33 F108040 Wholesale of Cosmetics
- 34 F203010 Retail Sale of Food, Grocery and Beverage
- 35 F203020 Retail Sale of Tobacco and Alcohol
- 36 F206020 Retail Sale of daily commodities
- 37 F207030 Retail Sale of Cleaning Supplies
- 38 F208040 Retail Sale of Cosmetics

- 39 JZ99050 Agency Services
- 40 C113011 Alcoholic Manufacturing
- 41 C113020 Alcohol Products Semi-Finished Manufacturing
- 42 C801081 Ingestible Ethyl Alcohol Manufacturing
- 43 C114010 Food Additives Manufacturing
- 44 F121010 Wholesale of Food Additives
- 45 F221010 Retail of Food Additives
- 46 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The total direct investment of the Company may exceed 40% of the paid-in capital.

Article 3: The Company is headquartered at Changhua County, Taiwan, and may establish branches and stores at different cities in Taiwan and other countries where necessary.

Article 4: (Deleted)

Chapter II Shares

Article 5: The Company has stated capital of NT\$10,000,000,000 and evenly split it into 1,000,000,000 shares at NT\$10/share in face value. The Board is authorized to offer the shares in tranches as needed. The Company may offer preferred shares from the unissued shares as mentioned in the preceding paragraph. The Company may offer shares without the printing of physical share certificate and shall register with Taiwan Depository and Clearing Corporation.

Article 5-1: The Company may issue Employee Stock Options (ESO) and reserve 5,000,000 shares within the quantity of shares as stated in the preceding article as shares for ESO. The Board is authorized to offer the ESO in tranches as needed.

The Company may assign its shares at a price lower than the average price of repurchase, or offer the shares as ESO at a price lower than the closing price on the issuing day in favor of the employees, subject to the approval of the Shareholders Meeting in a session with the presence of shareholders representing more than half of the outstanding shares and a 2/3 majority of the shareholders in session.

Article 5-2: The treasury shares repurchased by the Company under law may be assigned to employees of the controlled companies or subsidiaries of the Company meeting specific condition.

The recipients of ESO of the Company may include employees of the controlled companies or subsidiaries of the Company meeting specific conditions.

Employees of the controlled companies or subsidiaries of the Company meeting specific conditions may subscribe new shares at the time of offering by the Company.

Employees of the controlled companies or subsidiaries of the Company meeting specific conditions are entitled to restricted shares at the time of offering by the Company.

Article 6: The Company issues registered shares with the affixing of authorized signatures/seals by Directors acting on behalf of and in the name of the Company unto the certificates, with the assignment of sequence number and the application of the official seal, subject to the certification of the competent authority for approval and offered under law.

Article 7: The Shareholders of the Company shall present information on their names or titles, residence place, specimen seal impression to the Company for registration and reference filing. The same procedure is applicable to any amendment thereto. Shareholders shall use the specimen seal impression on record with the Company when claiming for stock dividend or exercising other rights.

Article 8: The Company will halt the transactions of the shares being issued in the period of 60 days prior to the regular session of the Shareholders Meeting, 30 days prior to the special session of the Shareholders' Meeting, and 5 days prior to the dividend day or any other days of benefits.

Article 9: (Deleted)

Article 10: The share registration and investor services shall be handled in accordance with the requirements of the competent authority.

Article 10- 1: (Deleted)

Chapter III Shareholders' Meeting

- Article 11: The Shareholders' Meeting may convene in the following 2 means:
Annual Meeting of Shareholders – The Board shall call for the session within 6 months after the end of the fiscal year.
Special session of the Shareholders Meeting – convened at any time as required by law.
- Article 12: (Deleted)
- Article 13: Shareholders shall be notified 30 days prior to the convention of a Annual Meeting of Shareholders, and be notified 15 days prior to the convention of a special session.
- Article 14: The Chairman shall be the presiding officer of the Shareholders' Meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of the Chairman, where applicable. In the absence of both the Chairman and the Vice Chairman, the Chairman shall appoint a proxy to act as the presiding officer. If not, the Directors shall nominate one among themselves to presiding over the meeting.
- Article 15: (Deleted)
- Article 16: If a shareholder is unable to attend a session of the Shareholders' Meeting in person, such shareholder may issue the power of attorney with the affixing of its authorized seal/signature thereunto, and appoint a proxy to attend pursuant to Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.
- Article 17: If specific motions to be discussed and passed in the Shareholders' Meeting involved the personal interest of specific shareholders that may cause a conflict of interest with the Company, these shareholders shall recuse from voting. Likewise, these shareholders shall not act as proxies of other shareholders when voting.
- Article 18: Unless the Company Act provides otherwise, resolutions of the Shareholders' Meeting shall be made by a session with the presence of shareholders representing more than half of the outstanding shares and a simple majority of the votes of consent cast by the shareholders in session. As per the requirement of the competent authority, the Company may adopt voting by electronic mean. Shareholders casting their votes electronically shall be construed as their presence in the session in person. Matters pertinent to electronic balloting shall be governed by applicable laws. The resolutions made by the Shareholders' Meeting shall be tracked as minutes of meeting on record, with the affixing of the authorized signature/seal of the presiding officer, and the certified true copies of which shall be circulated to the shareholders within 20 days thereafter. The sign-in book of the Shareholders' Meeting, and power of attorney presented by proxies of shareholders, shall be kept by the Company. Publicly-traded companies may circulate the aforementioned minutes of meeting on record by announcement.

Chapter IV Directors and Auditing Committee

- Article 19: The Company has established 5-17 seats of Directors. Directors shall be elected through the nomination of candidates' system and by shareholders on the list of nominated candidates. Each Director has tenure of 3 years, and may assume another term of office if reelected. The total registered shares held by all Directors of the Company shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies.
The Company shall allocate at least 3 seats for Independent Directors, among all other Directors. The ratio of Independent Directors shall not fall below 1/5 of the total seats of Directors. The determination of the professional qualification, quantity of shareholding, restriction of holding other positions, and independence of the Independent Directors, the method of nomination and election to the seats and other particulars of compliance shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.
The Company has established the Auditing Committee in 2016 in compliance with the Securities and Exchange Act. The previous functions of the Supervisors under the Company Act, Securities and Exchange Act, and other applicable laws were replaced by the Auditing Committee. All the members of the Auditing Committee must be Independent Directors. The functions, organizational code, authority and other matters of compliance of the Auditing Committee shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.
- Article 19-1: The Board is authorized to determine the remunerations to the Chairman and Directors for their engagement in the operation of the Company with reference to the recommendation of the Remuneration Committee of the Company, their individual levels of participation in the operation and contribution value, and industry standard.
- Article 19-2: The Board of the Company may establish other functional committees for operating needs, and shall institute the organization code of these committees.
- Article 20: If 1/3 of the seats of Directors were left vacant, the Board shall call for a special session of the Shareholders Meeting for holding an election of Directors to fill the vacancies within 60 days. The tenure for the newly elected Directors shall cover the remainder of the original term of office.

- Article 21: If the term of office of Directors expires and no election of a new Board could be held, the tenure for these Directors shall be extended until a Board of Directors is elected and assumed office. However, the competent authority may order the Company to elect a new Board by a specific deadline within their power. If no election was being held, the previous term of the Board shall end on the expiration date.
- Article 22: Directors shall be organized into the Board of Directors in a session attended by at least 2/3 of the Directors and at the consent of a simple majority of the Directors in session. The Directors in session shall nominate one among themselves to assume office as the Chairman and Vice Chairman for assisting the Chairman. The Chairman shall act on behalf of and in the name of the Company to administer all activities of the Company. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act on behalf of the Chairman, where applicable. In the absence of the Vice Chairman or if there is no Vice Chairman established and no proxy has been appointed, the Directors shall nominate one among themselves to act on behalf of the Chairman.
- Article 23: The Chairman shall call for the convening of the Board except for the 1st session of a newly elected Board where the Director winning the majority of the votes shall call for the convening within 15 days after the election. The Chairman shall act as the presiding officer for all sessions of the Board. In the absence of the Chairman and there is the position of Vice Chairman established, the Vice President shall act on behalf of the Chairman. If no position of Vice Chairman is established or in the absence of the Vice Chairman, the Chairman shall appoint one Director as the presiding officer. If not, the Directors shall nominate one from among themselves to act as the presiding officer. The Board shall convene at least once quarterly, and may call for special session from time to time where necessary. The Board shall notify the Directors for convention by written notice, fax or electronic mean. If specific Director cannot attend a session of the Board, such Director may issue the power of attorney and specify the reason and the scope of authorization to appoint another Director to act as proxy to attend. Each proxy shall act in the name of and on behalf of only one other Director. The Board may convene through videoconferencing. Directors who participate in the videoconference shall be deemed attending the session in person.
- Article 23-1: The functions of the Board
1. Calling for the convention of the Shareholders' Meeting and execution of its resolutions.
 2. Review of corporate policy, mid and long-term development plan, review of annual plan and supervision for the implementation of the plan.
 3. Review and approval of budget and account settlement.
 4. Review and approval of the Articles of Incorporation of the Company and essential internal rules and regulations.
 5. The establishment and cancellation, reorganization or dissolution of branches.
 6. The appointment and dismissal of the president, vice presidents and managers of the Company.
 7. Planning and study of the procurement and disposal of important investment and assets of the Company.
 8. Review of the endorsement and guarantee and loaning of funds in favor of third parties by the Company.
 9. Planning of the distribution of earnings and covering carryforward loss.
 10. Planning for capitalization and decapitalization, and decision of issuing new shares.
 11. Decision of seeking financing from financial institutions.
 12. Recommendation to the Shareholders' Meeting regarding the amendment to the Articles of Incorporation, proposal for the dissolution, or merger of the Company.
 13. Authority granted by applicable laws and the Articles of Incorporation.
- Article 24: Unless the Company Act provides otherwise, all resolutions of the Board shall be made by a session with the presence of at least half of the Directors and a simple majority for consent of the Directors in session. The Chairman shall preside over the sessions of the Board. In the absence of the Chairman and there is the position of Vice Chairman established, the Vice President shall act on behalf of the Chairman. If no position of Vice Chairman is established and the Chairman has not appointed one Director as the presiding officer, the Directors shall nominate one from among themselves to act as the presiding officer.
- Article 25: The resolutions of the Board shall be tracked as minutes of meeting on record, affixed with the authorized signature/seal of the presiding officer, and circulated among the Directors within 20 days after the session. The summary and result of the motions in discussion and voting shall be noted in the minutes of meeting on record. The minutes of meeting on record, the sign-in book for tracking attendance of the Directors and the power of attorney for appointment of proxies shall be kept by the Company.
- Article 26: (Deleted)
- Article 27: (Deleted)

Chapter V Managers

- Article 28: The Company shall establish the positions for a number of managers and the appointment, dismissal, and remuneration of whom shall be determined in accordance with the Company Act.
- Article 29: The managers shall administer all activities of the Company in conformity to the resolutions of and the empowerment of the Board.
- Article 30: (Deleted)

Chapter VI Accounting

- Article 31: The Company settles the accounts at the end of December of the year. The Board shall then prepare the following documents and statements and present to the Annual Meeting of Shareholders for recognition in due process of law.
1. Business Report
 2. Financial Statements
 3. Proposal for distribution of earnings or covering carryforward loss.
- The aforementioned documents and statement shall be subject to the recognition of the Annual Meeting of Shareholders. The Board shall prepare the certified true copies of the aforementioned documents and statements for circulations to or in the form of announcements to make known to the shareholders in accordance with the Company Act and other applicable laws.
- Article 32: The Company shall appropriate at least 2% of its earnings, if applicable, as remunerations to the employees and no more than 5% as remunerations to the Directors. If the Company has carryforward loss, the Company shall appropriate for covering such loss first.
- The recipients of the aforementioned remunerations in stock or cash shall include the employees of the controlled companies or subsidiaries of the Company meeting specific conditions.
- Article 32-1: The Company is well-developed in its operations with stable returns. In light of the anticipated capacity expansion and vertical development in the years ahead, the Company shall appropriate its earnings after taxation to cover carryforward loss in the first place, and 10% as legal reserve. The Company is not required to further appropriate for legal reserve if the amount is equivalent to its paid-in capital, and may proceed to the appropriation or reversal of special reserve for operation needs and in accordance with applicable laws. If there is still a balance, the Company will pool up the balance with the undistributed earnings carried forward from the previous year, and propose to appropriate 50% of this sum as stock dividends at the proposal of the Board and the approval of the Shareholders' Meeting. Cash dividend shall account for at least 30% of the total dividend paid out in the year and the remainder may be paid by stock dividends.
- If the earnings per share falls below NT\$0.1, the Board may retain the earnings and not be for distribution.

Chapter VII Miscellaneous

- Article 33: The Company may undertake endorsement or guarantee in favor of outsiders in accordance with applicable laws governing publicly-traded companies and applicable internal rules and regulations but not guarantee of persons.
- Article 34: Anything not covered by the Articles of Incorporation shall be governed by the Company Act.
- Article 35: The Articles of Incorporation of the Company and other rules and regulations shall be instituted separately by the Board.
- Article 36: The Articles of Incorporation was duly instituted on 1960.09.07 The 1st amendments are made on June 20, 1965; the 2nd amendments are made on September 15, 1967; the 3rd amendments are made on April 20, 1969; the 4th amendment on June 25, 59; the 5th amendment on June 20, 1972; the 6th amendments are made on August 15, 1972; the 7th amendments are made on April 18, 1973; the 8th amendments are made on May 20, 1973; the 9th amendments are made on January 30, 1974; the 10th amendments are made on April 1, 1974; the 11th amendments are made on December 2, 1975; the 12th amendments are made on August 17, 1976; the 13th amendments are made on January 10, 1978; the 14th amendments are made on October 24, 1978; the 15th amendments are made on January 20, 1981; the 16th amendments are made on June 11, 1981; the 17th amendments are made on July 4, 1983; the 18th amendments are made on April 26, 1984;

the 19th amendments are made on November 20, 1984; the 20th amendments are made on April 1, 1985; the 21st amendments are made on August 15, 1985; the 22nd amendments are made on May 10, 1986; the 23rd amendments are made on April 14, '76; the 24th amendments are made on February 15, 1988; the 25th amendments are made on June 28, 1988; the 26th amendments are made on October 11, 1988; the 27th amendments are made on April 23, 1989; the 28th amendments are made on May 7, 1990; the 29th amendments are made on April 20, 1991; the 30th amendments are made on May 9, 1992; the 31st amendments are made on May 8, 1993; the 32nd amendments are made on June 3, 1994; the 33rd amendments are made on June 6, 1996; the 34th amendments are made on June 7, 1997; the 35th amendments are made on June 6, 1998; the 36th amendments are made on June 5, 1999; the 37th amendments are made on June 9, 2000; the 38th amendments are made on June 8, 2001; the 39th amendments are made on June 7, 2002; the 40th amendments are made on June 16, 2004; the 41st amendments are made on June 14, 2005; the 42nd amendments are made on June 14, 2006; the 43rd amendments are made on June 10, 2009; the 44th amendments are made on June 15, 2010; the 45th amendments are made on June 15, 2011; the 46th amendments are made on June 15, 2012; the 47th amendments are made on June 20, 2013; the 48th amendments are made on June 19, 2014; the 49th amendments are made on June 16, 2015; the 50th amendments are made on June 29, 2016; the 51st amendments are made on June 22, 2017; the 52nd amendments are made on June 27, 2018; the 53rd amendments are made on November 21, 2018; the 54th amendments are made on May 23, 2019; and the 55th amendments are made on May 21, 2020. These amendments became effective after resolution by the shareholders' meeting.

Taisun Enterprise Co., Ltd.

Chairman: Peter Chan

Appendix II

Taisun Enterprise Co., Ltd. **Parliamentary Procedures for Shareholders' Meeting**

Date of amendment: 2020/5/21

- I. The parliamentary procedure for the convention of the Shareholders' Meeting shall be governed by this procedure unless the law or the Articles of Incorporation provide otherwise.
- II. Shareholders, proxies appointed by shareholders, or parties requesting for power of attorney for attending a Shareholders' Meeting should present the attendance pass, sign-in card issued by the Company or other certification documents for attendance in order to attend the Shareholders' Meeting, and must bring along the identification documents for confirmation of identity. Shareholders attending the session should present their sign-in card in lieu of signing in. The number of representatives of government or institutional shareholders shall be limited to the number of Directors (including Independent Directors) of the current term of the Board. Each institutional shareholder may appoint only one representative to attend the Shareholders' Meeting.
- III. The convention of the Shareholders' Meeting of the Company shall be called by the Board unless the law provides otherwise. If it is the Board that calls for the convention of the Shareholders' Meeting, the Chairman shall act as the presiding officer. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act as the presiding officer on behalf of the Chairman. In the absence of both the Chairman or the Vice Chairman due to leave or other reasons, the Chairman shall appoint one Director to act as the presiding officer. If the Chairman did not appoint a proxy, the Directors shall nominate one among themselves to act as the presiding officer. If a Director acts as proxy on behalf of and in the name of the Chairman, such Director must be in office for at least 6 months and have a good understanding of the financial position and operation of the Company. The same principle applies to representatives of Institutional Directors. Where an entitled third party beyond the Board may call for the convention of the Shareholders' Meeting, such third party shall act as the presiding officer. If there are more than 2 parties calling for the convention, they shall nominate one among themselves to act as the presiding officer.
- IV. The Company may appoint the retained lawyers, certified public accountants or related personnel to attend the Shareholders' Meeting as observers.
- V. The Company shall track the entire process from the time shareholders start to register for presence to the Shareholders' Meeting, the meeting is in session, and counting of the votes cast by shareholders on record by voice recording and videotaping without pause. The aforementioned voice record and videotaped materials shall be kept for at least 1 year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.
- VI. The attendance of shareholders to the Shareholders' Meeting shall be based on the quantity of shares being represented. The quantity of shares being represented in the Shareholders' Meeting shall be based on the sign-in card submitted by the shareholders in session plus the votes cast under the power of attorney or electronic mean. The presiding officer shall announce the Shareholders' Meeting in session at the scheduled time. If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. Each duration of delay shall not be more than 1 hour. If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the presiding officer shall announce to defer the session. If the session was postponed twice under the preceding paragraph with the presence of shareholders representing less than 1/3 of the outstanding shares, the Shareholders' Meeting may proceed to provisional resolution pursuant to Paragraph 1 in Article 175 of the Company Act, and inform all shareholders of the provisional resolution for the convention of the Shareholders' Meeting within one month thereafter. If the presence of additional shareholders in the Shareholders' Meeting could represent more than half of the outstanding shares before the adjournment of the session, the presiding officer may refer the provisional resolutions to the Shareholders Meeting for a new round of voting pursuant to Article 174 of the Company Act.
- VII. If it is the Board that calls for the convention of the Shareholders' Meeting, the Board shall prepare the agenda and proceed in accordance with the agenda. The motions contained in the agenda shall be referred to voting for decision. The agenda cannot be changed without the resolution of the Shareholders' Meeting. If an entitled third party beyond the Board calls for the convening of the Shareholders' Meeting, the rules of the preceding paragraph shall also be applicable. Before the agenda has been fully covered in the procedure (including extemporary motions), the presiding officer cannot announce the adjournment of the session without the resolution of the Shareholders' Meeting.

- VIII. Shareholders in session shall note down the summary of opinion to be expressed, the account number (or attendance pass number) and the account title, on the memo sheet before the expression. The presiding officer shall determine the order of expression of opinions by the shareholders. Shareholders who just expressed their opinions on the memo sheet without verbal expression shall be construed as no expression of opinion. If the content of verbal expression is irrelevant with the content stated in the memo sheet, the content of verbal expression shall prevail. No shareholders may interrupt the presentation of another shareholder unless at the consent of the presiding officer and the shareholder presenting the speech or the presiding officer shall stop the interruption.
- IX. The same shareholder may express his/her opinion on the same motion only twice, and may further express opinion on the same motion only at the consent of the presiding officer. Shareholders may have the floor for expression of opinion for up to 5 minutes for each instance. Shareholders who violate the rules in expression of opinion or the opinion so expressed is beyond the scope of the motion will be stopped by the presiding officer.
- X. If specific institutional shareholder appoints more than two representatives to the Shareholders' Meeting, only one of the representatives may be appointed to express opinion on the same motion.
- XI. After a shareholder has expressed its opinion, the presiding officer may respond personally or appoint designated personnel to respond to the opinion.
- XII. Votes cast by the Shareholders' Meeting shall be based on the quantity of shares represented. The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. If a particular motion discussed in the Shareholders' Meeting involves the conflict of interest between shareholders and the Company, the shareholders concerned shall recuse from voting and cannot act as proxy for another shareholder in voting. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.
- XIII. Shareholders are entitled to one voting right for the holding of each shares except for the holding of restricted shares or shares bearing not votes under Paragraph 2 in Article 179 of the Company Act. The Company should adopt balloting by electronic means and correspondence, and shall specify the availability of these means of balloting in the meeting notice to shareholders. Shareholders casting votes by electronic means or correspondence shall be deemed present in the Shareholders' Meeting in person. However, balloting by electronic means or correspondence shall be deemed abstention in the voting of extemporary motions or amendment to original motions. Each motion shall be passed by a simple majority of the votes cast by shareholders in session unless the Company Act or the Articles of Incorporation of the Company provide otherwise. If there is an amendment to or substitute version of particular motion, the presiding officer shall combine the amendment and/or the substitute version to the original motion and decide the priority of voting. If the original motion, the amendment to the motion or the substitute version of the original motion is passed, it shall be deemed that with the passing of the motion no further resolution will be required. The presiding officer shall appoint the scrutineers and the tally clerks and the scrutineers must be shareholders at the same time. The results of the balloting shall be announced on the scene and tracked on record.
- XIV. Election may also be held in the Shareholders' Meeting, and shall be governed by the rules and regulations of the Company governing elections. The election results should be announced on the scene, including the list of winners and the votes earned. The ballots shall be kept properly for at least one year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.
- XV. The resolutions made by the Shareholders' Meeting shall be tracked as minutes of meeting on record, signed or sealed by the presiding officer and circulated to the shareholders within 20 days after the meeting. The production and circulation of the minutes of meeting on record may be done by electronic means or uploaded to MOPS for announcement. The year, month, day, venue, name of presiding officer, method of resolution, the summary of the procedures, and voting result (including the statistics on the votes cast) shall be noted down in the minutes of meeting on record. If an election for Directors was held, disclosed the votes earned by each Director elected to the seat. The record shall be kept within the perpetuity of the Company.
- XVI. The Company shall keep statistics on the votes acquired by third parties requesting for votes and votes of the proxies in the standardized format on the day the Shareholders' Meeting is in session, and disclose the detail on the scene. If specific motion for resolution contains information of materiality under law or the requirements of Taiwan Stock Exchange Corporation, the Company shall upload the content to MOPS website by designated deadline.

- XVII. The administrative staff shall wear ID or arm badge in the venue of the meeting. The presiding officer may command the prefects or security guard to maintain order of the meeting. In keeping order of the venue, prefects or security guards shall wear arm badge or ID marking the wording of "PREFECT." A sound amplifier may be provided at the venue of the meeting. The presiding officer shall stop shareholders from using loud speaking equipment not prepared by the Company. If specific shareholder violates the procedure of the meeting and defies the corrective action given by the presiding officer, and continue to hinder the normal progress of the meeting regardless of persuasion, the presiding officer shall order the prefects or the security guards to escort such shareholder to leave the scene.
- XVIII. The presiding officer may announce for recess when the Shareholders' Meeting is in session. In the event of force majeure, the presiding officer may rule to halt the session, and announce for the continuation of the session at the right time. Pursuant to Article 182 of the Company Act, the Shareholders' Meeting may resolve to postpone or continue the session within 5 days.
- XIX. The convention of Shareholders' Meeting may be held in the area where the Company is located or a place convenient for the shareholders to travel to and suitable for holding meeting. In general, the meeting shall be held no earlier than 09:00 or no later than 15:00.
- XX. This Procedure shall come into effect for enactment at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.

Appendix III

Taisun Enterprise Co., Ltd. Regulations Governing the Election of Directors

Date of amendment: 2020/5/21

- I. The Company shall hold election of Directors in accordance with the Regulations
- II. The election of Directors for the Company shall be based on the nomination of candidates' system and accumulation of registered single votes. The election of Directors and Independent Directors will be held at the same time, and votes for the candidates to the relevant seats will be counted separately.
- III. In the election of Directors of the Company, candidates will be elected to the seats of Independent Directors or regular Directors by the number of votes they earned in descending order. If two or more candidates who earned the same number of votes in the election, but there are no further seats available, these candidates shall engage in a lot drawing. The winner in the lot drawing will be entitled to the seat. The presiding officer shall act on behalf of the candidate absent from the election in the lot drawing.

The number of votes in the election as mentioned in preceding paragraph shall be based on the votes cast on the scene of the Shareholders' Meeting and the votes cast through electronic mean.
- IV. If particular candidate was elected to the seat of Director and Independent Directors simultaneously, such candidate shall decide to take the seat of either the Director or the Independent Directors at the conclusion of the election, and shall not hold both positions at the same time. The vacancy left behind will be filled by the candidate who earned the next highest number of votes.

The qualification requirement of the Independent Directors of the Company shall be in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The election and appointment of Independent Directors of the Company shall be in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The eligibility of Directors of the Company shall be in compliance with the Company Act and other applicable legal rules.
- V. The presiding officer shall appoint a number of scrutineers and tally clerks at the beginning of the election. These personnel shall perform their professed duties.
- VI. The Board shall produce the ballots for the election of Directors, and assign the sequence number identical with the attendance pass number and mark down the number of entitled votes on the ballots. The ballots will be distributed to the shareholders who will attend the meeting or the proxies of the shareholders. Shareholders elected to cast vote by electronic means or correspondence shall follow the instructions of balloting as prescribed in the notice of Shareholders' Meeting.
- VII. If the candidate is a shareholder, mark down the account title and account number of the candidate in the field of "Candidate". If the candidate is not a shareholder, mark down the name and the identification document number of the candidate. Where the government institutional shareholders may be the candidates, mark down the name of the institution in the field of candidate, or the name of the government or institution and the name of the representative. If there are a few representatives, put down the names of all representatives.
- VIII. A ballot shall be nullified if any of the following applies:
 1. Using ballots not prepared by the Board for the election.
 2. Putting a blank ballot into the ballot box or outside the ballot box.
 3. The ballot is stained; the hand-writing is blurred that cannot be identified or marked for correction.

4. If the candidate marked down on the ballot is a shareholder, the account name, account number is not relevant with the content of the shareholders' registry. If the candidate marked down on the ballot is not a shareholder, the name, ID number was proven to be irrelevant.
 5. Further to the name, account title, account number or identification document number of the candidate, other wordings are written on the ballot.
 6. The name of the candidate is identical with another shareholder but no account number or identification document number has been marked down for differentiation.
 7. The names of two or more candidates were marked down on one ballot or the number of candidates marked down on a ballot exceeds the limit. The total number of votes marked down on the ballots exceeds the total number of votes in the election.
 8. The candidates marked on the ballots are neither the candidates for Director nor for Independent Director.
- IX. After the balloting, the votes will be counted on the scene. The presiding officer or the designated personnel shall announce the result of the election.
The Company shall keep the ballots for the election specified in preceding paragraph for at least one year. In the event of legal proceedings instated pursuant to Article 189 of the Company Act by the Shareholders' Meeting, the ballots shall be kept until the conclusion of the proceedings.
- X. The Company shall send a notice of election to office to each of the Director Elects
- XI. The Directors-elect shall issue a statement of consent by the deadline stated in the notice of elected to office to express their intent of assuming office. Those who did not issue the statement of consent by the deadline shall be construed as unwilling to assume office and abandonment of their entitlement to office.
- XII. Anything not covered by the Regulations shall be governed by the Company Act and other applicable laws.
- XIII. The Regulations shall be subject to the resolution of the Shareholders' Meeting before enactment. The same procedure is applicable to any amendment thereto.

Appendix IV

Shares held by all Directors:

(I) The minimum number of shareholdings by all Directors and by individual Directors.

Pursuant to Article 26 of the Securities and Exchange Act and Sub-paragraph 5 under Paragraph 1 in Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the quantity of registered shares held by all Directors shall not fall below 4% of the outstanding shares issued by the Company. If there are two or more Independent Directors have been elected under paragraph 2, the quantity of shares held by all Directors other than the Independent Directors shall be counted at 80% of the above ratio.

	Outstanding shares	Quantity of shares held by all Directors
Shares	499,999,038	16,000,000

(II) Quantity of shares held by individual Directors and in aggregate stated in the Shareholders Registry

Date of information: 2021.03.28

Title	Name	Quantity of shares stated in Shareholders Registry
Director	Shen Yang Investment Corporation Limited Representative: Peter Chan	2,630,570
Director	Jing Xun Investment Industrial Corporation Limited Representative: Fred Chan	10,446,082
Director	Chan Hao-Jun	2,774,738
Director	Dechen Enterprise Co., Ltd. Representative: Chan Pei-Shan	1,979,353
Independent Director	Wu Chieh-Hsin	0
Independent Director	Sun Chu-Wei	0
Independent Director	Hsu Yung-Chang	0
Total		17,830,743

Note 1: Quantity of shares in separate account of TDCC of Director representative

Name	Quantity of shares in separate account of TDCC
Peter Chan	2,570,000
Fred Chan	2,503,000
Chan Pei-Shan	740,000
Total	5,813,000

Note 2: According to Article 3 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the registered shares held by representatives in separate account at TDCC shall be combined as the quantity of shareholding in the calculation.

Note 3: All Directors hold 17,830,743 shares, plus the holding of the representatives in separate accounts at TDCC totaled 5,813,000 shares, which makes up the total of 23,643,743 shares, which has met the requirement of minimum shareholding by all Directors at 16,000,000 shares.