Company code: 4536

Topkey Corporation

2022 Annual General Meeting

Meeting Handbook

Shareholders meeting will be held by means of physical shareholders meeting

May 27, 2022

No. 17, Gongyequ 20th Rd., Nantun Dist., Taichung City 408019, Taiwan (R.O.C.)
Topkey Corporation, B1 Meeting Room

Note to Readers: If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

Table of Contents

Topkey Corporation

2022 Annual General Meeting

Meeting Procedures

I. Chairperson's Address

II. Report items

III. Proposed resolutions

IV. Discussion and election items

V. Extempore Motions

VI. Adjournment

Topkey Corporation

2022 Annual General Meeting Agenda

Time: May 27, 2022, Friday, 9am

Address: No. 17, Gongyequ 20th Rd., Nantun Dist., Taichung City (Topkey Corporation B1 Meeting Room)

Attendants: All shareholders or their proxy holders

Chairperson: Mr. Walter Shen, Chairman of the Board of Directors

I. Chairperson's Address

II. Report items:

- (I) The Business Report of 2021.
- (II) Audit Committee's Review Report on 2021 Consolidated Financial Statements.
- (III) 2021 Allocation of remuneration to employees and directors situation report.

III. Proposed resolutions:

- (I) 2021 Business Report and the Consolidated Financial Statements for the year ended December 31, 2021 of the Company.
- (II) 2021 Dividend Distribution Proposal.

IV. Discussion and election items

- (I) Proposal for the Company's 15th re-election of directors.
- (II) Proposal to release the newly elected directors from non-competition restrictions.

V. Extempore Motions

VI. Adjournment

II. Report items

Agenda 1: Proposed by the Board of Directors

Item: The 2021 Business Reports

Explanation: 2021 Business Report is attached as Attachment 1. (Please refer to page 9 to 11 of the Meeting Handbook)

Agenda 2: Proposed by the Board of Directors

Item: Audit Committee’s Review Report on 2021 Consolidated Financial Statements.

Explanation: The Audit Committee Review Report is attached as Attachment 2. (Please refer to page 13 of the Meeting Handbook)

Agenda 3: Proposed by the Board of Directors

Item: 2021 Allocation of remuneration to employees and directors situation report.

Explanation: In accordance with Article 30 of the Company’s Articles of Incorporation, if the Company makes profits at the end of the fiscal year, it shall allocate 3~10 percent as the employees’ remuneration, and not more than 5 percent as the directors’ remuneration. For 2021 employees’ and directors’ remuneration allocation suggestions, refer to Attachment 3. (Please refer to page 14 of the Meeting Handbook)

III. Proposed resolutions

Agenda 1: Proposed by the Board of Directors

Item: 2021 Business Report and the Consolidated Financial Statements for the year ended December 31, 2021 of the Company.

Explanation:

(I) The Company's 2021 Financial Statements have been duly audited by Certified Public Accountants Shao-Chun Wu and Tung-Yun Tseng of Deloitte & Touche. The Independent Auditors' Report is then duly submitted.

(II) The Business Report and Consolidated Financial Statements have been approved by the Board of Directors and have been examined and determined by the Audit Committee.

(III) The Business Report and Consolidated Financial Statements, and the Independent Auditors' Report are as in Attachment 1 (please refer to page 9 to 11 of the Meeting Handbook) and Attachment 4 (refer to page 15 to 35 of the Meeting Handbook).

(IV) For resolution.

Resolution:

Agenda 2: Proposed by the Board of Directors

Item: 2021 Dividend Distribution Proposal of the Company.

Explanation:

(I) On March 10, 2022, in accordance with the Company's Articles of Incorporation, the Company's Board of Directors established the 2021 Profit Distribution Proposal as below:

Topkey Corporation

2021 Earning Distribution Table

(In New Taiwan Dollars)

Item	Total
Unappropriated earnings, beginning balance	$ 1,612,466,212
Net income of 2021	831,647,243
Appropriation of legal reserve (10%)	(83,164,724)
Appropriation of special reserve according to the Act (Note 1)	(56,382,972)
Distributable earnings for the year :	2,304,565,759
Distribution items:	
Share dividends to shareholders- NT$ 0 per share	0
Cash dividends to shareholders- NT$ 6 per share	(544,920,000)
Unappropriated earnings, ending balance	$ 1,759,645,759

Note 1 : At the end of 2021, the balance of other equity items in equity was debit 619,192,838 dollars. The Company had appropriated 562,809,866 dollars for special reserve.

According to Rule No.1010012865 issued by Financial Supervisory Commission, the Company needed to withdraw 56,382,972 dollars for special reserve.

Chairperson：Wen Chen Shen
General Manager：Pei Ni Shen
Accounting Manager：Chiu Sen Chuang

(II) Each share for the above is calculated based on the 2021 total number of outstanding shares at 90,820,000.

(III) In the event that, before the Company's distribution record date, the proposed profit distribution is affected by the assignment or cancellation of treasury stock, conversion of convertible bonds or employee stock options exercise, it is proposed that the shareholders' meeting authorizes the Board of Directors to adjust the stakeholders stock bonus distribution based on the number of actual shares outstanding on the record date for distribution as in this Proposal.

(IV) According to Article 66-9 of the Income Tax Act, beginning from the year 2018, if there are any earnings of the current year not distributed by a profit-seeking enterprise, an additional profit-seeking income tax shall be levied at the rate of five percent on such undistributed surplus earnings. Beginning from the year 2018, the aforesaid tax shall be levied at the rate of five percent. In accordance with the MOF Letter No. 871941343, profit distribution shall adopt The Specific Identification Method; The Company's principle on profit distribution is to distribute any distributable profits from 2021 first. Where there are insufficiencies, the distributable profits accrued previously are distributed according to the order of the year the profits are generated using the last-in, first-out (LIFO) method.

(V) After the shareholders profit distribution proposal is approved by the general shareholders' meeting, the Board of Directors shall be authorized to set the ex-dividend date; the cash dividend allocation is rounded off to one New Taiwan dollar, and any amount less than one NT dollar will be transferred to the Employees' Welfare Committee.

(VI) In the event that this proposal is affected by an amendment to relevant laws or regulations, corrections request by the competent authorities, or changes due to operational assessment or circumstance requirements, it is proposed that the shareholders' meeting gives full authorization to the Board of Directors to handle such amendments.

(VII) For resolution.

Resolution:

IV. Discussion and election items

Agenda 1: Proposed by the Board of Directors

Item: The Company’s 15th Election of New Directors.

Explanation:

(I) The current term of the directors is coming to an end on May 27, 2022. In accordance with Paragraph 7, Article 36 of the Securities and Exchange Act, in the year the term of the directors and supervisors is ending, election for new directors and supervisors shall be executed at the regular shareholders’ meeting.

(II) According to the Company’s Articles of Incorporation, the election shall vote for ten directors (including four independent directors), and the term for the newly appointed directors shall begin on the date of the election for a period of three years, from May 27, 2022 to May 26, 2025. The original directors will retire once the new directors assume posts.

(III) The Company’s directors election adopts the candidate nomination system, the shareholders’ meeting will vote from the nominated candidates list. The election for independent and non-independent directors will be carried out at the same time, and the votes will be counted separately.

(IV) The directors and independent directors nomination list submitted to this shareholders’ meeting has been discussed and approved by the Board of Directors meeting on March 10, 2022. Details as in Attachment 5 (please refer to page 36 to 41 of this Meeting Handbook).

(V) For the reasons and explanations for the nomination of independent directors of three terms, the details are as in Attachment 6 (please refer to page 42 of the Meeting Handbook).

Voting results:

Agenda 2: Proposed by the Board of Directors

Item: Proposal to release the newly elected directors from non-competition restrictions.

Explanation: According to Paragraph 1, Article 209 of the Company Act: A director who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the shareholders’ meeting the essential contents of such an act and secure its approval. Related non-competition situations that do not affect the Company’s profits are as described in Attachment 7 (Please refer to page 43 of the Meeting Handbook).

Resolution:

V. Extempore Motions

VI. Adjournment

Related References Attachments

I. Business Report

TOPKEY CORPORATION

Business Report

2022

Topkey Corporation has benefited from the global bike hot sales in the year 2022. Even though there are disadvantageous factors from the external environment in the shortage of bike metal parts and shipping containers, with much dedication and hard work by all of the employees, the consolidated revenues achieve great performance reaching a historic high of NTD 86.92 million. Inflation has caused the raw material costs to increase greatly affecting profits, and the appreciation of the New Taiwan Dollars (NTD) and Chinese Yuan (RMB) resulted in the gross margin to lower as compared to 2020. However, there have been expansions to the scale of operations giving more operational economic benefits. As a result, earnings per share in 2021 as compared to 2020 grew by 22% reaching NTD 9.16.

Topkey is committed to management philosophies of “integrity, hard work, innovation, and gratitude,” in reaching the five mission “customer satisfaction, employee happiness, shareholder benefits, sustainable business, give back to society.” Future outlook - the Topkey management will continue to abide to the rules of the competent authorities promoting transparency in financial information and corporate governance. In the face of global political and economical situations and unstable geopolitics, Topkey has already invested in setting up plants in many locations to divert risks in operations. It is hoped to achieve higher level of economic benefits in a sound manner to create greater benefits for shareholders with the aim to fulfill shareholders expectations.

2021 Business results report as below:

I. 2021 Business Report

(I) Implementation outcomes of the business plan

The 2021 net operating revenue of Topkey’s standalone financial statements is NTD 58.63 million, an increase of NTD 13.27 million from 2020’s NTD 45.36 million, growth by 29.24%; Gross margin in 2020 is 19.07%, growth by 1.47% from 17.60% in previous year; Pre-Tax income margin is 21.37%, growth by 2.29% from 19.08% in previous year.

The 2021 net operating revenue of Topkey's consolidated financial statements is NTD 86.92 million, an increase of NTD 14.58 million from 2020's NTD 72.34 million, growth by 20.15%; Due to impacts from appreciation of NTD and RMB to USD in 2021 and price increase of raw materials, the consolidated gross margin is 30.54%, a drop of 4.00% from 34.54% in previous year; Consolidated pre-tax income margin is 16.83%, growth by 0.20% from 16.63% in previous year.

Overall, 2021 net income after tax attributable to the Company is NTD 8.32 million, an increase of NTD 1.53 million from NTD 6.79 million of 2020, growth by 22.48%. Earnings per share after tax is NTD 9.16, growth by 22.46% of previous year's NTD 7.48.

II. Profit/loss and profitability analysis for Topkey - Standalone, and Consolidated Financial Statements

Unit: NTD thousand; %

Item for analysis / Year			2021	2020	Increase (decrease) ratio %
Profit or loss analysis	Operating revenue	Consolidated	8,691,928	7,234,362	20.15%
		Standalone	5,862,658	4,536,256	29.24%
	Operating profit margin	Consolidated	2,654,682	2,498,872	6.24%
		Standalone	1,118,261	798,233	40.09%
	Net income after tax (attributable to shareholders of the parent)	Standalone/Consolidated	831,647	679,023	22.48%
Profitability capability	Return on assets (%)	Consolidated	7.91	7.05	12.20%
		Standalone	8.32	7.64	8.90%
	Return on total stockholder' equity (%)	Consolidated	14.36	12.32	16.56%
		Standalone	15.13	12.81	18.11%
	Ratio of income before tax to paid-in capital (%)	Consolidated	161.10	132.43	21.65%
		Standalone	137.98	95.28	44.82%
	Profit margin (%)	Consolidated	9.57	9.39	1.92%
		Standalone	14.19	14.97	-5.21%
	Earning per share (NTD)	Standalone/Consolidated	9.16	7.48	22.46%

III. Research and development outcomes

1. Develop rear suspension function for bikes and enter into mass production.
2. Develop and mass produce tennis racket cage with higher torque.
3. Develop carbon fiber cloth safety helmet manufacturing and obtain new utility model patent.

II. 2022 Business plan overview

(I) Business direction

1. Continue to layout for the future.
2. Deepen technological innovation.
3. Accelerate the lead for change.
4. Realize lean production.

(II) The Company's future development strategy

1. Becoming composite technology provider from concept design to product quality.
2. Accelerate sample development and enhance production performance and capacity.
3. Expand market share of every product.

(III) Key production and marketing strategies

1. Continue to expand investments to divert operation risks and to satisfy demands of customer orders.
2. Market development for newly applied technology of new products.
3. Raise production efficiency and flexibility to shorten production cycle period.
4. Continue to drive lean production to increase competitiveness.
5. Continue to advance manufacturing for manpower saving and enhancing yield rate.

(IV) Impacts from external competitive environment, legal environment and overall business environment

Targeting to achieve zero carbon emissions by 2050 has become a global consensus of major economies. How to introduce low carbon manufacturing in operation processes, improve energy efficiency, utilize low carbon or no fossil fuel based power supply and fuels, and promote circular economy to achieve low carbon energy savings and carbon neutral, all these are long-term challenges. Topkey will need to take an active approach to tackle these challenges in the pursuit of sustainable development.

In addition, the global COVID-19 (Coronavirus) pandemic has not yet seen clear signs of slowing down. Lockdowns, jammed-up ports, labor shortages and material shortages occurred as a result. Concerns of the current Russia-Ukraine war and unstable geopolitics gave rise to global inflation and reduced oil, gas, part of the metals and food production. These resulted in the surge in costs and shortages in raw materials which is a new norm faced by operation in the year.

In realizing the sustainable business goals, Topkey has already set up the "Topkey ESG consulting committee" and has implemented carbon inventory based on ISO 14064-1 standard. Topkey is putting in efforts in working towards net zero carbon emissions step by step. This year the operation environment may face disturbances from rising costs and material shortages of the bike assembly plants. Nevertheless, the Topkey management team will lead all the employees in practicing lean production in order to raise competitiveness and to fulfil our commitments to the customers. Topkey has laid a solid foundation in its long term focus in composite materials, continued to realize business directions in "continuous future layout," "deepening of technological innovations," "accelerating lead for change" and "practicing lean production," and is committed to the development and expanded application of composite materials of each disciplinary product. Efforts in these areas ensures competitive advantages in sustainable development for Topkey.

Chairperson: Wen Chen Shen
General Manager: Pei-Ni Shen
Accounting Manager: Chiu Sen Chuang

The Audit Committee Review Report

The Company's 2021 Business Report, Financial Statements (including consolidated and parent company only financial statements), and Profit Distribution Proposal, of which, the Financial Statements have been duly audited by Certified Public Accountants Shao-Chun Wu and Tung-Yun Tseng of Deloitte & Touche. The Independent Auditors' Report is then duly submitted. The aforementioned Business Report, Financial Statements, and Profit Distribution Proposal have been examined and determined to be correct and accurate by the Audit Committee. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Act.

2022 Shareholders' Annual General Meeting, Topkey Corporation

Topkey Corporation

The Audit Committee

Chairman: Mr. Shih-Chien Yang

March 10, 2022

III. 2021 Allocation of remuneration to employees and directors situation report

I. The Company’s 2021 Allocation of Remuneration to Employees and Directors has been reviewed and passed by the Remuneration Committee and Board of Directors meeting on March 10, 2022.

II. In accordance with Article 30 of the Company’s Articles of Incorporation, if the Company makes profits at the end of the fiscal year, it shall allocate 3~10 percent as the employees’ remuneration, and not more than 5 percent as the directors’ remuneration. For the 2021 Allocation of Remuneration to Employees and Directors, the suggestions are as below:

Item	Proportion (%)	Remuneration allocation amount
I. Employee remuneration	Approximately 3.21%	NTD 42,628,150
II. Directors remuneration	Approximately 2.42%	NTD 32,102,520

IV. 2021 Independent Auditors’ Report and Consolidated Financial Statement

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

Topkey Corporation

By

____
SHEN WEN CHEN
President

March 10, 2022

INDEPENDENT AUDITORS’ REPORT

The Board of Directors and Shareholders
Topkey Corporation

Opinion

We have audited the accompanying consolidated financial statements of Topkey Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and 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 (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

Net realizable value assessment of inventory

Inventory held by the Group is stated at lower of cost and net realizable value. Determination of the net realizable value of inventory involve management's significant accounting estimation and judgment, so net realizable value assessment of inventory has been deemed as a key audit matter. The accounting policies and disclosures related to inventory refer to Notes 4, 5 and 9.

The audit procedures performed with respect to the key audit matter are as follows:

1. We understood and assessed the relevant internal control design and implement efficiency for audit risk of net realizable value assessment of inventory.

2. We assessed the reasonableness of accounting policies used by the management for estimating net realizable value of inventory.

3. By obtaining net realizable value statement evaluated by the management, we sampled, reviewed and recalculated to confirm the correctness for net realizable value and impairment loss of inventory.

Other Matter

We have also audited the parent company only financial statements of Topkey Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021, 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 audits resulting in this independent auditors' report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 10, 2022

Notice to Readers

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

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 2,699,895	24	$ 2,588,670	25
Financial assets at fair value through profit or loss - current (Note 7)	2,887	-	219,126	2
Financeial assets at amortized cost - current (Notes 8 and 25)	1,833,109	16	1,541,199	15
Trade receivables (Note 9)	1,832,688	16	1,542,296	15
Other receivables	59,044	1	49,967	1
Other receivables from related parties (Note 24)	49,842	1	-	-
Current tax assets (Note 20)	-	-	13,746	-
Inventories (Notes 5 and 10)	1,941,829	17	1,481,308	15
Other current assets	141,152	1	96,224	1
Total current assets	8,560,446	76	7,532,536	74
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 11)	-	-	-	-
Property, plant and equipment (Notes 13 and 25)	1,949,079	17	1,854,091	18
Right-of-use assets (Notes 14 and 25)	599,675	5	686,230	7
Intangible assets	-	-	11,393	-
Deferred tax assets (Note 20)	37,266	1	26,692	-
Refundable deposits	17,985	-	19,875	-
Other non-current assets	86,536	1	60,795	1
Total non-current assets	2,690,541	24	2,659,076	26
TOTAL	$ 11,250,987	100	$ 10,191,612	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 25)	$ 2,132,450	19	$ 2,187,797	21
Trade payables	609,381	5	613,373	6
Other payables (Note 16)	657,641	6	560,935	6
Current tax liabilities (Note 20)	156,127	1	80,620	1
Lease liabilities - current (Note 14)	70,830	1	48,980	1
Endorsement and guarantee liabilities (Note 12)	138,450	1	-	-
Other current liabilities	324,470	3	351,774	3
Total current liabilities	4,089,349	36	3,843,479	38
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 15)	40,606	-	-	-
Deferred tax liabilities (Note 20)	486,246	4	326,470	3
Lease liabilities - non-current (Note 14)	288,570	3	388,992	4
Guarantee deposits	276,140	3	-	-
Other non-current liabilities	80,247	1	42,587	-
Total non-current liabilities	1,171,809	11	758,049	7
Total liabilities	5,261,158	47	4,601,528	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Capital stock	908,200	8	908,200	9
Capital surplus	1,639,532	15	1,639,532	16
Retained earnings				
Legal reserve	720,269	6	652,367	6
Special reserve	562,808	5	498,508	5
Unappropriated earnings	2,444,114	22	2,198,769	22
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(609,193)	(6)	(552,808)	(6)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(10,000)	-	(10,000)	-
Total equity attributable to owners of the Company	5,655,730	50	5,334,568	52
NON-CONTROLLING INTERESTS	334,099	3	255,516	3
Total equity	5,989,829	53	5,590,084	55
TOTAL	$ 11,250,987	100	$ 10,191,612	100

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
NET REVENUE	$ 8,691,928	100	$ 7,234,362	100
COST OF GOODS SOLD (Notes 10 and 19)	6,037,246	69	4,735,490	65
GROSS PROFIT	2,654,682	31	2,498,872	35
OPERATING EXPENSES				
Selling and marketing expenses (Note 19)	244,048	3	220,761	3
General and administrative expenses (Note 19)	627,863	7	552,451	8
Research and development expenses (Note 19)	342,155	4	310,546	4
Expected credit loss (Note 9)	2,091	-	1,374	-
Total operating expenses	1,216,157	14	1,085,132	15
INCOME FROM OPERATIONS	1,438,525	17	1,413,740	20
NON-OPERATING INCOME AND EXPENSES				
Interest income	21,050	-	36,270	1
Goverment grants income	60,226	1	63,897	1
Other gains	84,590	1	79,370	1
Gain (loss) on disposal of property, plant and equipment	5,683	-	(4,185)	-
Gain on disposal of subsidiaries (Note 12)	294,336	3	-	-
Net gain on financial assets at fair value through profit or loss	13,994	-	658	-
Interest expense	(26,336)	-	(42,269)	(1)
Loss on endorsement and guarantee (Note 12)	(278,258)	(3)	-	-
Other losses	(7,083)	-	(8,943)	-
Net foreign exchange gain (loss)	(31,321)	(1)	(335,810)	(5)
Property, plant and equipment impairment loss (Note 13)	(112,292)	(1)	-	-
Total non-operating income and expenses	24,589	-	(211,012)	(3)
INCOME BEFORE INCOME TAX	1,463,114	17	1,202,728	17
INCOME TAX EXPENSE (Note 20)	532,477	6	410,257	6
NET INCOME	930,637	11	792,471	11

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(73,380)	(1)	(33,490)	(1)
Income tax relating to items that will be reclassified subsequently to profit or loss	14,096	-	(31,044)	-
	(59,284)	(1)	(64,534)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 871,353	10	$ 727,937	10
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 831,647	10	$ 679,023	9
Non-controlling interests	98,990	1	113,448	2
	$ 930,637	11	$ 792,471	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 775,262	9	$ 614,723	8
Non-controlling interests	96,091	1	113,214	2
	$ 871,353	10	$ 727,937	10
EARNINGS PER SHARE (Note 21)				
Basic	$ 9.16		$ 7.48	
Diluted	$ 9.12		$ 7.45	

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company									
			Retained Earnings (Note 18)			Other Equity				
	Common Shares (Note 18)	Capital Surplus (Note 18)	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests (Note 12)	Total Equity
BALANCE AT JANUARY 1, 2020	$ 908,200	$ 1,639,328	$ 565,789	$ 466,572	$ 2,183,180	$ (488,508)	$ (10,000)	$ 5,264,561	$ 165,262	$ 5,429,823
Appropriation of 2019 earnings										
Legal reserve	-	-	86,578	-	(86,578)	-	-	-	-	-
Special reserve	-	-	-	31,936	(31,936)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(544,920)	-	-	(544,920)	-	(544,920)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(22,960)	(22,960)
	-	-	86,578	31,936	(663,434)	-	-	(544,920)	(22,960)	(567,880)
Other changes in capital surplus										
Disgorgement exercise	-	204	-	-	-	-	-	204	-	204
Net profit for the year ended December 31, 2020	-	-	-	-	679,023	-	-	679,023	113,448	792,471
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(64,300)	-	(64,300)	(234)	(64,534)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	679,023	(64,300)	-	614,723	113,214	727,937
BALANCE AT DECEMBER 31, 2020	908,200	1,639,532	652,367	498,508	2,198,769	(552,808)	(10,000)	5,334,568	255,516	5,590,084
Appropriation of 2020 earnings										
Legal reserve	-	-	67,902	-	(67,902)	-	-	-	-	-
Special reserve	-	-	-	64,300	(64,300)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(454,100)	-	-	(454,100)	-	(454,100)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(17,508)	(17,508)
	-	-	67,902	64,300	(586,302)	-	-	(454,100)	(17,508)	(471,608)
Net profit for the year ended December 31, 2021	-	-	-	-	831,647	-	-	831,647	98,990	930,637
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(56,385)	-	(56,385)	(2,899)	(59,284)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	831,647	(56,385)	-	775,262	96,091	871,353
BALANCE AT DECEMBER 31, 2021	$ 908,200	$ 1,639,532	$ 720,269	$ 562,808	$ 2,444,114	$ (609,193)	$ (10,000)	$ 5,655,730	$ 334,099	$ 5,989,829

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,463,114	$ 1,202,728
Adjustments for:		
Depreciation expenses	424,182	444,338
Amortization expense	11,332	1,617
Expected credit loss	2,518	1,374
Net gain on financial assets at fair value through profit or loss	(13,994)	(658)
Interest expense	26,336	42,269
Interest income	(21,050)	(36,270)
Loss (gain) on disposal of property, plant and equipment	(5,683)	4,185
Gain on disposal of subsidiaries	(294,336)	-
Property, plant and equipment impairment loss	112,292	-
Write-downs of inventories	23,554	34,738
Loss on foreign currency exchange	10,414	42,561
Amortization of prepayments	44,816	26,170
Loss on endorsement and guarantee	278,258	-
Gain on lease modification	(114)	-
Changes in operating assets and liabilities:		
Trade receivables	(327,042)	(101,708)
Other receivables	(10,864)	34,146
Inventories	(500,594)	(284,299)
Other current assets	(58,917)	(24,634)
Notes payable	-	(206)
Trade payables	21,400	194,810
Other payables	80,009	(61,906)
Other current liabilities	(27,093)	76,615
Other non-current liabilities	37,660	(10,509)
Cash generated from operations	1,276,198	1,585,361
Interest received	20,920	40,928
Interest paid	(26,136)	(42,792)
Income tax paid	(293,303)	(315,638)
Net cash generated from operating activities	977,679	1,267,859
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(965,166)	(1,338,281)
Proceeds from disposal of financial assets at amortized cost	670,143	-
Acquisition of financial assets at fair value through profit or loss	(1,043,002)	(214,427)
Proceeds from disposal of financial assets at fair value through profit or loss	1,272,067	-
Net cash outflow on disposal of subsidiaries	(35,147)	-
Acquisition of property, plant and equipment	(549,082)	(381,611)
Proceeds from disposal of property, plant and equipment	10,343	1,486
Decrease (increase) in refundable deposits	(461)	123
Increase in other receivables from related parties	(100)	-

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Increase in other non-current assets	(4,578)	(4,186)
Increase in prepayments for equipment	(44,566)	(25,431)
Net cash used in investing activities	(689,549)	(1,962,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,008,307	2,030,489
Repayments of short-term borrowings	(2,775,789)	(2,168,100)
Proceeds from long-term borrowings	41,095	-
Repayments of long-term borrowings	-	(10,899)
Increase in guarantee deposits	276,140	-
Repayments of the principal portion of lease liabilities	(57,743)	(58,662)
Cash dividends distributed to owners of the Company	(454,100)	(544,920)
Cash dividends distributed to non-controlling interests	(17,508)	(22,960)
Disgorgement exercise	-	204
Repayments of endorsement and guarantee liabilities	(139,808)	-
Net cash used in financing activities	(119,406)	(774,848)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(57,499)	(62,515)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	111,225	(1,531,831)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,588,670	4,120,501
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,699,895	$ 2,588,670

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Topkey Corporation

Opinion

We have audited the accompanying financial statements of Topkey Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for the year ended December 31, 2021 is as follows:

Net realizable value assessment of inventory

Inventory held by the Company is stated at lower of cost and net realizable value. Determination of the net realizable value of inventory involve management's significant accounting estimation and judgment, so net realizable value assessment of inventory has been deemed as a key audit matter. The accounting policies and disclosures related to inventory refer to Notes 4, 5 and 9.

The audit procedures performed with respect to the key audit matter are as follows:

1. We understood and assessed the relevant internal control design and implement efficiency for audit risk of net realizable value assessment of inventory.

2. We assessed the reasonableness of accounting policies used by the management for estimating net realizable value of inventory.

3. By obtaining net realizable value statement evaluated by the management, we sampled, reviewed and recalculated to confirm the correctness for net realizable value and impairment loss of inventory.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 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 the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021, 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 audits resulting in this independent auditors' report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2022

<u>*Notice to Readers*</u>

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

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

TOPKEY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,655,745	15	$ 743,274	8
Financeial assets at amortized cost - current (Note 7)	1,607,281	15	1,193,998	13
Trade receivables (Note 8)	1,082,314	10	1,013,785	11
Trade receivables from related parties (Note 23)	210,264	2	100,258	1
Other receivables	21,747	-	16,506	-
Other receivables from related parties (Note 23)	51,894	-	73,992	1
Inventories (Notes 5 and 9)	786,251	7	331,593	4
Other current assets	79,450	1	45,710	-
Total current assets	5,494,946	50	3,519,116	38
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 10)	-	-	-	-
Investments accounted for using the equity method (Note 11)	4,866,209	44	5,152,833	56
Property, plant and equipment (Note 12)	283,115	3	291,717	3
Right-of-use assets (Note 13)	263,559	3	251,920	3
Deferred tax assets (Note 19)	37,266	-	26,692	-
Refundable deposits	8,700	-	9,650	-
Other non-current assets	38,723	-	21,745	-
Total non-current assets	5,497,572	50	5,754,557	62
TOTAL	$ 10,992,518	100	$ 9,273,673	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	$ 1,994,000	18	$ 1,693,000	18
Trade payables	182,844	2	105,273	1
Trade payables to related parties (Note 23)	1,214,781	11	961,709	11
Other payables (Note 15)	234,230	2	186,653	2
Other payables to related parties (Note 23)	18,988	-	-	-
Current tax liabilities (Note 19)	143,674	2	34,023	-
Lease liabilities - current (Note 13)	31,858	-	17,049	-
Endorsement and guarantee liabilities (Note 11)	138,450	1	-	-
Other current liabilities	298,829	3	334,137	4
Total current liabilities	4,257,654	39	3,331,844	36
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 19)	486,246	4	326,470	3
Lease liabilities - non-current (Note 13)	236,501	2	238,205	3
Guarantee deposits	276,140	3	-	-
Other non-current liabilities	80,247	1	42,586	-
Total non-current liabilities	1,079,134	10	607,261	6
Total liabilities	5,336,788	49	3,939,105	42
EQUITY				
Capital stock	908,200	8	908,200	10
Capital surplus	1,639,532	15	1,639,532	18
Retained earnings				
Legal reserve	720,269	7	652,367	7
Special reserve	562,808	5	498,508	5
Unappropriated earnings	2,444,114	22	2,198,769	24
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(609,193)	(6)	(552,808)	(6)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(10,000)	-	(10,000)	-
Total equity	5,655,730	51	5,334,568	58
TOTAL	$ 10,992,518	100	$ 9,273,673	100

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

(With Deloitte & Touche auditors' report dated March 10, 2022)

TOPKEY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Note 23)	$ 5,862,658	100	$ 4,536,256	100
COST OF GOODS SOLD (Notes 9, 18 and 23)	4,744,478	81	3,736,629	82
GROSS PROFIT	1,118,180	19	799,627	18
UNREALIZED LOSS (GAIN) ON TRANSACTIONS WITH SUBSIDIARIES	81	-	(1,394)	-
GROSS PROFIT	1,118,261	19	798,233	18
OPERATING EXPENSES				
Selling and marketing expenses (Note 18)	106,995	2	76,979	2
General and administrative expenses (Note 18)	321,027	5	293,384	7
Research and development expenses (Note 18)	47,823	1	61,790	1
Expected credit loss (gain) (Note 8)	(5,149)	-	5,091	-
Total operating expenses	470,696	8	437,244	10
INCOME FROM OPERATIONS	647,565	11	360,989	8
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries (Note 11)	869,355	15	597,089	13
Interest income (Note 23)	2,670	-	11,821	-
Other gains	57,641	1	26,622	1
Interest expense	(14,623)	-	(16,419)	-
Loss on endorsement and guarantee (Note 11)	(278,258)	(5)	-	-
Other losses	(1,167)	-	(539)	-
Loss on disposal of property, plant and equipment	-	-	(1,991)	-
Net foreign exchange loss	(30,075)	(1)	(112,202)	(3)
Total non-operating income and expenses	605,543	10	504,381	11
INCOME BEFORE INCOME TAX	1,253,108	21	865,370	19
INCOME TAX EXPENSE (Note 19)	421,461	7	186,347	4
NET INCOME	831,647	14	679,023	15

(Continued)

TOPKEY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(70,481)	(1)	(33,256)	(1)
Income tax relating to items that will be reclassified subsequently to profit or loss	14,096	-	(31,044)	-
Other comprehensive income (loss) for the year, net of income tax	(56,385)	(1)	(64,300)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 775,262	13	$ 614,723	14
EARNINGS PER SHARE (Note 20)				
Basic	$ 9.16		$ 7.48	
Diluted	$ 9.12		$ 7.45	

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

(With Deloitte & Touche auditors' report dated March 10, 2022) (Concluded)

TOPKEY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings (Note 17)			Other Equity		
	Common Shares (Note 17)	Capital Surplus (Note 17)	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2020	$ 908,200	$ 1,639,328	$ 565,789	$ 466,572	$ 2,183,180	$ (488,508)	$ (10,000)	$ 5,264,561
Appropriation of 2019 earnings								
Legal reserve	-	-	86,578	-	(86,578)	-	-	-
Special reserve	-	-	-	31,936	(31,936)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(544,920)	-	-	(544,920)
	-	-	86,578	31,936	(663,434)	-	-	(544,920)
Other changes in capital surplus								
Disgorgement exercise	-	204	-	-	-	-	-	204
Net profit for the year ended December 31, 2020	-	-	-	-	679,023	-	-	679,023
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(64,300)	-	(64,300)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	679,023	(64,300)	-	614,723
BALANCE AT DECEMBER 31, 2020	908,200	1,639,532	652,367	498,508	2,198,769	(552,808)	(10,000)	5,334,568
Appropriation of 2020 earnings								
Legal reserve	-	-	67,902	-	(67,902)	-	-	-
Special reserve	-	-	-	64,300	(64,300)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(454,100)	-	-	(454,100)
	-	-	67,902	64,300	(586,302)	-	-	(454,100)
Net profit for the year ended December 31, 2021	-	-	-	-	831,647	-	-	831,647
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(56,385)	-	(56,385)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	831,647	(56,385)	-	775,262
BALANCE AT DECEMBER 31, 2021	$ 908,200	$ 1,639,532	$ 720,269	$ 562,808	$ 2,444,114	$ (609,193)	$ (10,000)	$ 5,655,730

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

(With Deloitte & Touche auditors' report dated March 10, 2022)

TOPKEY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,253,108	$ 865,370
Adjustments for:		
Depreciation expenses	67,982	64,995
Expected credit loss (gain)	(4,722)	5,091
Interest expense	14,623	16,419
Interest income	(2,670)	(11,821)
Share of profit of subsidiaries	(869,355)	(597,089)
Loss on disposal of property, plant and equipment	-	1,991
Write-downs of inventories	3,178	8,380
Unrealized loss (gain) on the transactions with subsidiaries	(81)	1,394
Loss on foreign currency exchange	982	5,261
Amortization of prepayments	3,473	7,255
Loss on endorsement and guarantee	278,258	-
Gain on lease modification	(4)	-
Changes in operating assets and liabilities:		
Trade receivables	(178,265)	(260,873)
Other receivables	(57,927)	(7,689)
Inventories	(457,836)	(183,633)
Other current assets	(36,228)	(24,617)
Notes payable	-	(206)
Trade payables	335,140	299,540
Other payables	45,298	(4,760)
Other current liabilities	(30,908)	78,779
Other non-current liabilities	37,661	(10,509)
Cash generated from operations	401,707	253,278
Interest received	2,541	16,479
Interest paid	(14,136)	(16,857)
Income tax paid	(148,512)	(146,266)
Net cash generated from operating activities	241,600	106,634
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fiancial assets at amortized cost	(454,690)	(1,100,762)
Proceeds from disposal of financial assets at amortized cost	41,407	-
Acquisitions of subsidiaries	-	(207,317)
Acquisition of property, plant and equipment	(5,831)	(16,923)
Decrease (increase) in refundable deposits	950	(53)
Decrease (increase) in other receivables from related parties	73,830	(32,132)
Increase in other non-current assets	(146)	(1,493)
Increase in prepayments for equipment	(21,016)	(14,694)
Dividends received	1,081,179	1,338,249
Net cash generated from (used in) investing activities	715,683	(35,125)

(Continued)

TOPKEY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,644,000	1,693,000
Repayments of short-term borrowings	(2,343,000)	(1,750,000)
Increase in guarantee deposits	276,140	-
Repayments of the principal portion of lease liabilities	(28,044)	(26,875)
Cash dividends distributed to owners of the Company	(454,100)	(544,920)
Disgorgement exercise	-	204
Repayments of endorsement and guarantee liabilities	(139,808)	-
Net cash used in financing activities	(44,812)	(628,591)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	912,471	(557,082)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	743,274	1,300,356
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,655,745	$ 743,274

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

(With Deloitte & Touche auditors' report dated March 10, 2022) (Concluded)

V. The Company's 15th Directors and Independent Directors nomination list

Name list for directors and independent directors candidates:

Candidate identity	1 (Director)	2 (Director)	3 (Director)	4 (Director)	5 (Director)	6 (Director)
Name	Wen Chen Shen	Tung-Chen Chu	Kuei-Lin Chang	Pei-Ni Shen	Kuo-Fen Lin	Chao-Yueh Chuang
Household ID number/ National ID No.	1	4	12	27	10	B1003****
Education	Honorary Doctoral Degree, College of Engineering, National Taipei University of Technology, National Taipei Institute of Technology, Department of Chemical Engineering	National Taipei Institute of Technology, Department of Chemical Engineering	Department of Foreign Languages and Literatures, National Chung Hsing University (non-completion)	Master's in Physics, Imperial College of London, Bachelor in Materials, Imperial College of London	School of Foreign Languages and Cultures, Soochow University	Taichung Junior Teachers College
Experiences	Vice President, Kun Nan Enterprise Ltd., 13th Taiwan Youth Model of Enterprise, 4th and 5th term Chairperson of the Taiwan Aerospace Industry Association, 2015 Government Technology Project Control and Review Committee member, Xiamen Color Stickers Co., Ltd., Chairperson, Managing Director of this	Deputy Director, Nai Lung Plant, Formosa Chemicals and Fibre Corporation, Vice Chairperson and Director, Xiamen Keen Tech Composite Technology Co., Ltd., Supervisor of Xiamen Color Stickers Co., Ltd., Managing Director of this Company, Chair of Rotary Club of Taichung;	Sales, Ya Tai Industry Corporation; Managing Director, Director of Xiamen Keen Tech Composite Technology Co., Ltd., Director, Chairperson of Xiamen Color Stickers Co., Ltd., GM, supervisor, chairperson of Xiamen Yu Quan Composite Technology Co., Ltd.; GM of this Company's procurement and contracting	Director of Xiamen Keen Tech Composite Technology Co., Ltd., Responsible person of Composite Solutions Corporation; Deputy GM of this Company's aerospace and medical business unit; Executive Assistant of the Company's chairperson; Director of the Company's technology R&D; Executive VP of the	The Company's supervisor	Teacher, Nan Yang Elementary School; The Company's supervisor;

Candidate identity	1 (Director)	2 (Director)	3 (Director)	4 (Director)	5 (Director)	6 (Director)
Name	Wen Chen Shen	Tung-Chen Chu	Kuei-Lin Chang	Pei-Ni Shen	Kuo-Fen Lin	Chao-Yueh Chuang
	Company, Taiwan Aerospace Corporation Director;		center; Director of Topkey Foundation;	Company's Houxi plant; Project VP of the Company's Chairperson Office; VP of the Company;		
Current position	The Company' Chairperson；The Chairperson of New Score Holding Limited、New Score Investment Limited、Musonic Corporation、Xiamen Keentech Composite Technology Co., LTD、Composite Solutions Corporation、Xiamen Xin Hong Zhou Precision Technology Co., Ltd.、XPT Investment Co., Limited、Xiamen Yeu Chuan Composite Technology Co., LTD.、Eic Holding Limited、Topkey Foundation；Responsible person of TOPKEY (VIETNAM) Corporation Company Limited；	The Company' s vice Chairperson；The director of New Score Investment Limited、XPT Investment Co., Limited、Eic Holding Limited、TOPKEY (VIETNAM) Corporation Company Limited、Xiamen Valver Color Sticker Co., Ltd.、Topkey Foundation；Supervisor of Xiamen Keen Tech Composite Technology Co., Ltd.,、Xiamen Xin Hong Zhou Precision Technology Co., Ltd.；	The Company' s director；The vice Chairperson of Xiamen Keentech Composite Technology Co., Ltd；The director of Composite Solutions Corporation、Eic Holding Limited、Xiamen Xin Hong Zhou Precision Technology Co., Ltd.、TOPKEY (VIETNAM) Corporation Company Limited；The supervisor of Xiamen Yeu Chuan Composite Technology Co., Ltd.	The Company' s director and General manager；The director and General manager of Xiamen Keentech Composite Technology Co., Ltd；Director of Composite Solutions Corporation、Xiamen Xin Hong Zhou Precision Technology Co., td.、Xiamen Yeu Chuan Composite Technology Co., Ltd.、Xiamen Valver Color Sticker Co., Ltd.、TOPKEY (VIETNAM) Corporation Company Limited	The Company' s director；Responsible person, Asia Regent Corporation；Supervisor, NK Cells Asia Co., Ltd.；	The Company' s director；Responsible person, U T Game Co., Ltd.；

Candidate identity	1 (Director)	2 (Director)	3 (Director)	4 (Director)	5 (Director)	6 (Director)
Name	Wen Chen Shen	Tung-Chen Chu	Kuei-Lin Chang	Pei-Ni Shen	Kuo-Fen Lin	Chao-Yueh Chuang
Number of Shares	9,654,182 shares	3,499,789 shares	2,932,846 shares	1,922,394 shares	1,392,935 shares	0 shares
Name of the government or juristic person represented	None	None	None	None	None	None

Nominated candidates list of directors (including independent directors) proposed by Board of Directors

Candidate identity	7 (Independent director)	8 (Independent director)	9 (Independent director)	10 (Independent director)
Name	Shih-Chien Yang	Chen-Chi Ma	Ying-Huang Yang	Cheng Li
Household ID number/ National ID No.	A1026*****	D1007*****	T1015*****	A1206*****
Education	Doctor, Department of Electrical and Computer Engineering, Northwestern University Masters, Department of Electrical and Computer Engineering, Northwestern University Bachelor, Department of Electrical Engineering, National Taiwan University	Chemical Engineering (PhD), North Carolina State University Chemical Engineering (MS), North Carolina State University Bachelor, Department of Chemical Engineering, National Cheng Kung University	National Taipei University of Technology EMBA	PhD, Law School, Tulane University Masters, Law School, Tulane University Bachelor, Law Department, Tunghai University
Experiences	National Policy Advisor to the President, Office of the President; Executive Yuan Minister and Convenor, Technology Consulting Team of Executive Yuan;Political Deputy Minister, Ministry of Economic Affairs;Administrative Deputy Minister, Ministry of Economic Affairs;Director-general, Industrial Development Bureau, Ministry of Economic Affairs; Deputy Director, Science and Industrial Park Administration; Director of Department of Planning and Evaluation, National Science Council; Senior technical specialists, Department of Overall	Senior researcher engineer, Monsanto Co.; Senior Researcher, Lord Corp.; Senior Engineer, Phillips Petroleum Co.; Visiting Expert, Ministry of Science and Technology and Department of Chemical Engineering, National Tsing Hua University; Consultant for Technology, Ministry of Economic Affairs; Patent Researcher, The Engineering and Technology Promotion Center, Ministry of Science and Technology; Deputy Vice President for Research and Development, National Tsing Hua University, Consultant for	Director, FORMOSA PLASTICS MARINE CORPORATION; Director, FORMOSA PLASTICS MARITIME CORP.;Supervisor, FORMOSA CHEMICALS & FIBRE CORPORATION; Supervisor, Formosa Petrochemical Corporation; Director, Formosa Petrochemical Corporation; Managing Director, FORMOSA PLASTICS MARINE CORPORATION; Senior VP, Formosa Petrochemical Corporation; Director,	Part-time Associate Professor, College of Law, Tunghai University, Attorney at Lee & Tsai. Attorney, Consultant, Direction International Patent Trademark and Law Office; Department Head, College of Law, Tunghai University; Investigation Committee Consultant, Ministry of Economic Affairs;

Candidate identity	7 (Independent director)	8 (Independent director)	9 (Independent director)	10 (Independent director)
Name	Shih-Chien Yang	Chen-Chi Ma	Ying-Huang Yang	Cheng Li
	Planning, Council for Economic Planning and Development, Executive Yuan Associate Researcher, National Chung-Shan Institute of Science and Technology; Independent Director, Yageo Corporation, President, Global Strategic Investment Inc.; President, Huan Xun Venture Capital Inc.; Director, TECO Electric & Machinery Co., Ltd.	Technology, Ministry of Education; Technology Rights Committee member, Ministry of Science and Technology; Executive Director, Tze-Chiang Foundation of Science and Technology; Professor, Department of Chemical Engineering, National Tsing Hua University; National Chair Professorship Ministry of Education; Distinguished Professor, Department of Chemical Engineering, National Tsing Hua University, Independent Director, Glotech Industrial Corp.; Distinguished Chair Professor, Department of Chemical Engineering, National Tsing Hua University, Director, The Polymer Society, Taipei	Management Office, Formosa Plastics Group; Deputy MD, Management Office, Formosa Plastics Group; Senior VP, Management Office, Formosa Plastics Group; Senior Deputy MD, Management Office, Formosa Plastics Group;	
Current position	President, Global Strategic Investment Inc. President, Huan Xun Venture Capital Inc. Director, Tecom Co., LTD. Director, TECO Electric & Machinery Co., Ltd. Director, MiTAC Inc. Director, YAGEO Corporation Independent Director, Global BioPharma, Inc.	Honorary Professor, Department of Chemical Engineering, National Tsing Hua University Vice Chairperson, Taiwan Chemical Industry Association Executive Director, Taiwan Federation of Reinforced Plastic Executive Director, Society of Plastics Engineers – Taiwan Section	None	Part-time Associate Professor, EMBA of Tunghai University, Part-time Associate Professor, Feng Chia University, Representative of a juristic person director, Ginko International Co., Ltd., Independent Director, REXON INDUSTRIAL CORP.,

Candidate identity	7 (Independent director)	8 (Independent director)	9 (Independent director)	10 (Independent director)
Name	Shih-Chien Yang	Chen-Chi Ma	Ying-Huang Yang	Cheng Li
	Independent Director, WUS Printed Circuit Co., Ltd. Independent director, Topkey Corporation	Director, The Polymer Society, Taipei Independent director, Shiny Chemical Industrial Co., Ltd. Independent director, Wah Hong Industrial Corp. Independent director, Topkey Corporation		Independent Director, Novatech Co., Ltd.
Number of shares held	0 shares	0 shares	0 shares	0 shares
Name of the government or juristic person represented	None	None	None	None

VI. Reasons and explanations for the nomination of independent directors of three terms

(1) The Company’s Board of Directors reviewed the qualifications of the nominated list for the 15th Board of Directors Nominated Candidates on March 10, 2022, and identified nominee Shih-Chien Yang to have served as the independent director of the Company since the 11th Board of Directors, and have assumed the post for three consecutive terms. According to Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company shall announce the reason for the continuing nomination of this candidate as the independent director.

(2) The Board of Directors assesses the situation for Mr. Shih-Chien Yang’s participation and makes recommendations. Mr. Shih-Chien Yang continues to maintain independency and fair judgement capabilities, and possesses rich experiences in technology industry, will be able to support governance directions in all aspects of the Company’s operations.

(3) Overall, the Company’s Board of Directors has reviewed the qualifications of Mr. Shih-Chien Yang on March 10, 2022 which meets the requirements, and has listed him in the 15th Board of Directors Independent Directors Candidates Nominated List.

VII. Non-competition restrictions situation of the Company's newly elected directors

Position	Name	Scope of releasing the newly elected directors (including independent directors) from non-competition restrictions
Director	Walter Shen	Chairperson, Xiamen Xin Hong Zhou Precision Technology Co., Ltd. Chairperson, XPT Investment Co., Limited Chairperson, Xiamen Yu Chuan Composite Material Technology Co., Ltd. Chairperson, EIC Holding Limited
Director	Tung-Chen Chu	Supervisor and Director, Xiamen Xin Hong Zhou Precision Technology Co., Ltd. Director, XPT Investment Co., Limited Director, EIC Holding Limited
Director	Kuei-Lin Chang	Director, EIC Holding Limited Director, Xiamen Xin Hong Zhou Precision Technology Co., Ltd. Supervisor, Yuquan Composite Material Technology Co., Ltd.
Director	Pei-Ni Shen	Director, Xiamen Xin Hong Zhou Precision Technology Co., Ltd., Director, Xiamen Yu Chuan Composite Material Technology Co., Ltd.
Director	Kuo-Fen Lin	Responsible person, Asia Regent Corporation Supervisor, NK Cells Asia Co., Ltd.
Director	Chao-Yueh Chuang	Responsible person, U T Game Co., Ltd.
Independent director	Shih-Chien Yang	Director, Tecom Co., LTD. Director, YAGEO Corporation. Director, MiTAC Inc. Independent Director, WUS Printed Circuit Co., Ltd. Independent Director, Natural Beauty Bio-Technology Limited (Hong Kong). Independent Director, Tong Hsing Electronic.
Independent director	Chen-Chi Ma	Independent director, Shiny Chemical Industrial Co., Ltd., Independent director, Wah Hong Industrial Corp.
Independent director	Ying-Huang Yang	None.
Independent director	Cheng Li	Juristic person representative Director of Ginko International Co., Ltd. Independent Director, Rexon Industrial Corp. Independent Director, Novatech Co., Ltd.

Note: Directors who are concurrently acting as managerial personnel of another company, and if the two companies are of 100 percent parent and subsidiary company relationship, this will not constitute competition behavior of Article 32 and 209 of the Company Act. (Ref. Jing shang zih No. 09500626690, October 12, 2006, Ministry of Economic Affairs (MOEA))

Appendix

I. The Company's "Rules Governing the Procedures for Meetings of Shareholders"

1. General provisions

1.1. Purpose

The Rules are established in accordance with the Company Act and relevant laws and regulations for the purpose of building a good governance system for the Company's shareholders' meeting, and a complete and strengthened monitoring and management function.

1.2. Scope of application

The Company's Rules Governing the Procedures for Meetings of Shareholders shall be executed accordingly to these Rules besides the laws and regulations or Articles of Incorporation.

1.3. Responsible unit

Office of the Board of Directors for the Group is the management unit for this regulation

1.4. Terms and definition

None

2. Major contents

2.1. Unless otherwise specified by the laws and regulations, the Company's shareholders general meeting will be convened by the Board of Directors.

30 days before the Company convenes a regular shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the shareholders' meeting agenda, and upload them to the MOPS (Market Observation Post System) 21 days before the Company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials, and upload it to the information disclosure website specified by the MOPS (Market Observation Post System). 15 days before a company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.

Any or a plural number of shareholder(s) of the Company who has (have) continuously held three percent or more of the total number of outstanding shares for a period of one year or a longer may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the Board of Directors to call a special shareholders' meeting.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions.

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

2.2. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting.

The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

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

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

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

2.3. A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. 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 three percent of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. Unless a declaration is made to cancel the previous proxy appointment.

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

2.4. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

2.5. The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting.

2.6. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or unable to exercise his/her functional duties for any reason, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or unable to exercise his/her functional duties for any reason, the chairperson shall designate a director to act in his/her behalf. If no representative is so designated, the representative shall be elected by the directors from among themselves. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

2.7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be kept until the conclusion of the litigation.

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made.

If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

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

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the meeting adjourned, shareholders may not elect for a chair at the original venue or find another venue to continue the meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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

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

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

2.12. Except in the circumstances otherwise provided for in this Act, a shareholder shall have one voting power in respect of each share in his/her/its possession. 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 shareholders' meeting.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

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

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

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

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

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

2.14. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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

2.15. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

The preceding resolution method shall be recorded as “Passed with no objections by all attending shareholders as inquired by the chair” after the chair inquires opinions from shareholders and that they have no objections to the proposal; when the shareholders raise objections, the Company shall record that the voting method is adopted and the total number of voting rights and proportion of it passed.

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor.”

At the place of a shareholders’ meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair’s correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

3. Miscellaneous

3.1. Methods and procedures for the establishment, amendment or revocation.

The Meeting Rules are to be implemented after it is agreed by the Audit Committee, followed by passing the resolution in the Board of Directors meeting, and proposed to the Shareholders’ Annual Meeting for approval. The same applies to the amendments.

3.2. Announced implementation date and amendment dates.

The Meeting Rules are implemented after it is announced on June 15, 2010.

1st amendment, May 16, 2011;

2nd amendment, October 25, 2011;

3rd amendment, June 12, 2012;

4th amendment, June 10, 2013;

5th amendment, May 27, 2015;

6th amendment, May 3, 2016;

7th amendment, May 27, 2020;

8th amendment, July 29, 2021;

4. Attachments and tables

None

II. The Company Articles of Incorporation

Chapter 1 General provisions

Article I The Company established the organization according to the Company Act on the formation of corporation, and named the company “TOPKEY CORPORATION.”

(Chinese name: 拓凱實業股份有限公司)

Article II Business scope as below:

I. CH01010 Sporting Goods Manufacturing
II. C901020 Glass and Glass Products Manufacturing
III. C901990 Other Non-Metallic Mineral Products Manufacturing
IV. C802120 Industrial and Additive Manufacturing
V. C805050 Industrial Plastic Products Manufacturing
VI. CA02010 Manufacture of Metal Structure and Architectural Components
VII. CD01060 Aircraft and Parts Manufacturing
VIII. CJ01010 Hat Manufacturing
IX. CF01011 Medical Devices Manufacturing
X. CD01010 Ships and Parts Manufacturing
XI. CD01050 Bicycles and Parts Manufacturing
XII. CB01990 Other Machinery Manufacturing
XIII. CD01990 Other Transport Equipment and Parts Manufacturing
XIV. I199990 Other Consulting Service
XV. F107990 Wholesale of Other Chemical Products
XVI. F207990 Retail Sale of Other Chemical Products
XVII. F401010 International Trade
XVIII. I101100 Aviation Consulting
XIX. H703100 Real Estate Leasing
XX. CQ01010 Mold and Die Manufacturing
XXI. F106030 Wholesale of Molds
XXII. F206030 Retail Sale of Molds
XXIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article III The Company Headquarters is based in Taichung City, and has set up branches in Taiwan and overseas with approval by the Board of Directors.

Article IV The Company's announcement methods follow the regulation in Article 28 of the Company Act.

Article V The Company makes guarantee to the public as required by business.

Article VI This Article was removed.

Article VII The Company is not limited to Article 13 of the Company Act and may transfer investments to other businesses where necessary by the business.

Chapter 2 Shares

Article VIII The total amount of the Company's capital is NTD 1.8 billion. It is divided into 180 million shares, each share at NTD 10, among which the unissued shares that are authorized to the Board of Directors are to be issued in installments based on needs of the Company's businesses.

Article IX For the shares to be issued to the public by the Company, the Company may be exempted from printing any share certificate for the shares issued. However, the Company shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.

Article X Under the circumstance where there is transfer of shares, unless otherwise specified in laws and regulations and the securities regulations, the process shall be executed according to the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article XI Under the circumstance where there are lost or damaged shares, unless otherwise specified in laws and regulations and the securities regulations, the process shall be executed according to the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article XII The share transfer registration shall be suspended by the Company within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Article XIII Unless otherwise specified in laws and regulations and the securities regulations, the Company's shareholder services shall be processed according to the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Chapter 3 Shareholders' Meetings

Article XIV The general meetings and ad hoc meetings are the two types of shareholders' meetings. The general meetings will be convened at least once a year within six months after the end of the fiscal year. Ad hoc meetings will be convened where necessary accordingly to the laws and regulations. The announcement for the convening of the general shareholders' meeting shall be made in accordance with the Company Act and related laws and regulations of the competent authorities. The convening of a general meeting announcement shall be sent through electronic method after it is agreed by the shareholders.

Article XV Except where specified in the Company Act or related laws and regulations, resolution of the general shareholders' meeting is adopted when agreed by a majority of the shareholders present who represent more than one-half of the total issued, outstanding shares, attendance by the shareholders in person or a proxy.

Article XVI Unless otherwise specified in the laws and regulations, every shareholder of the Company will have one voting right per share.

Article XVII When a shareholder is not able to attend the general shareholders' meeting, he/she shall sign the letter of authorization for a proxy to attend the meeting according to Article 177 of the Company Act. Related matters on the use and revoke of the preceding letter of authorization shall be processed based on the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article XVIII Resolution matters at the general shareholders' meeting shall be recorded in the meeting minutes, and the chairperson shall sign or place his/her individual stamp. The meeting minutes shall be completed within twenty (20) days after the meeting and distributed to all shareholders. The distribution of the preceding meeting minutes shall be through announcement method.

The meeting minutes shall record the day, month, year, meeting venue, chairperson name, resolution method, a summary of the deliberations and their results, and shall be kept permanently for the duration of the existence of the Company. The shareholders attendance signature list and proxy letter of authorization shall be preserved for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, they shall be retained until the conclusion of the litigation. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

Article XVIII-I When the Company wants to cancel its share offering in public, it shall propose a Special Resolution for the general shareholders' meeting, and shall not change this Article during emerging and listed period.

Chapter 4 Director

Article XIX The Company shall have between nine to eleven directors to be elected by shareholders with capacity to make juridical acts at the general meeting, with a three-year term of office, serving for another term is allowed with re-election. However, if a new director has not been elected by the time the current director's term has ended, the director's term shall be extended until the elected director assumes post. The Board of Director shall discuss and approve resolution on the purchase of liability insurance for the directors after the election. The counting of the proportion of shares held by all directors of the Company is based on the Company Act and competent authorities for securities regulations.

Article XIX-I The directors election adopts the candidate nomination system of Article 192-1 of the Company Act. The processing and announcing of related matters to the directors nomination is based on relevant laws and regulations of the Company Act and Securities and Exchange Act. The election for independent directors and directors will be carried out at the same time, and the votes will be counted separately.

Article XIX-II Independent directors of the Company shall not be less than three persons, and shall not be less than one-fifth of the total number of directors. The nomination system shall be adopted and the independent directors are to be selected and appointed by the general shareholders' meeting from the independent directors nomination list. The professional qualifications, restrictions on shareholdings and concurrent positions, assessment of independence, nomination and election methods, and other complying matters with respect to independent directors shall be governed by relevant laws and regulations of the Company Act and securities competent authorities.

Article XX Except where the Competent Authority has granted approval, the following relationships may not exist among more than half of a company's directors:

(I) A spousal relationship.

(II) A familial relationship within the second degree of kinship.

Article XXI In case the Company has no chairperson, the Board of Directors shall elect a chairperson of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairperson of the board. The chairperson shall externally represent the Company. And, to execute all matters pertaining to the Company in accordance with the provisions of laws and regulations and the Articles of Incorporations of the Company, and the resolutions adopted by the shareholders' meetings and the meetings of the Board of Directors.

Article XXII Business operations and other important matters of the Company shall be executed pursuant to the resolutions to be adopted by the Board of Directors, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting. The first meeting of each term of the Board of Directors shall be convened based on Article 203 of the Company Act. Other meetings shall be convened by the chairperson acting as the convener. When the chairperson is unable to execute his/her duties, the vice chairperson will act on behalf; When the vice chairperson is on leave or unable to exercise his/her functional duties for any reason, the chairperson shall designate a director to act in his/her behalf. If no representative is so designated, the representative shall be elected by the directors from among themselves. Unless otherwise provided for in the Company Act, resolution of the Board of Directors is adopted when agreed by a majority vote at a meeting attended by more than one half of the directors. In case a director is unable to attend the meeting, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. In case a director appoints another director to attend a meeting of the Board of Directors in his/her behalf. A director may accept the appointment to act as the proxy of one other director only. In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article XXIII Resolutions adopted at a Board of Directors' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the company within twenty (20) days after the close of the meeting. A summary of the deliberations and their results, attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept permanently for the duration of the existence of the Company.

The preparation and distribution of the preceding meeting minutes shall be through electronic method.

Article XXIV This Article was removed.

Article XXV The Company establishes the Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be formed by all the independent directors. The Audit Committee or its members shall have the authority and responsibility in performing the role of supervisor under the Company Act, Securities and Exchange Act, and other related laws and regulations.

Since the day of the formation of the Audit Committee, the authority and responsibility of the Company's supervisors have been replaced by the Audit Committee, and the application of the Company's regulations relating to supervisors has suspended.

Article XXVI The remuneration for all of the directors is based on the value of their level of participation and contribution to the Company's operations. Industry standards have been referenced and the Board of Directors is authorized to determine the remuneration. When the Company makes surplus earnings, the remuneration allocation will be made according to Article 30 of the regulation.

Article XXVI-I When the number of directors falls short by one third, the Company shall call a special shareholders' meeting within the time limit specified in the laws and regulations to hold a by-election to fill the vacancies. The term of the succeeding director is to fulfill the unexposed term of office of the predecessor.

Article XXVI-II This Article was removed (combined with Article 19).

Chapter 5 Manager

Article XXVII The appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Chapter 6 Annual Closing

Article XXVIII The Company's fiscal year is from January 1 to December 31 each year.

Article XXIX At the close of each fiscal year, the Board of Directors shall prepare the statements and records according to Article 228 of the Company Act and shall forward the same to the Audit Committee for their auditing not later than the 30 day prior to the meeting date of the general shareholders' meeting. The audited materials shall be proposed in the general shareholders' meeting for ratification.

Article XXX If the Company makes profits for the year, it shall allocate:

I. 3~10 percent for employee remuneration.

II. Not more than 5 percent for directors remuneration.

However, if the Company has accrued losses, it shall reserve a sum to cover the losses beforehand.

The subjects for the shares or cash of employee remuneration in the preceding paragraph includes subordinate company employees who met certain conditions.

If there are surplus earnings at the end of the fiscal year, the Company shall allocate them to pay the income tax according to laws and regulations and to cover past losses, followed by setting aside 10 percent as legal reserve. Allocate or reverse the special reserve according to regulations by competent authority. Any remainder shall be used to pay for dividends, and with any undistributed surplus earnings from the beginning of the same period, a proposal shall be made to the shareholders' meeting for approval on its allocation.

The industrial development of the Company is undergoing the business expansion phase and in great demand for funds; the allocation of the surplus earnings should be made in accordance with the Company Act and the Company's Articles of Incorporation subject to the management of the Company's capital and the business performance before determining the method of stock dividend. The principle of stock dividend shall follow the stability and balance policy, and the method of stock dividend (cash dividend or stock dividend) and the amount will be proposed by the Board of Directors. The dividend proposal shall be made in accordance with the business results, financial status and the management of capital, that is the total amount of the remainder after distribution of the preceding paragraph one and two plus undistributed earnings of previous year, before adopted by the annual regular shareholders' meeting. The shareholders bonus of the proposal for distribution shall not be lower than the net profit after tax minus 20 percent of the legal reserve net amount, of which the cash dividend shall not be less than 20 percent of the total dividend amount. The proportion of the shareholders cash dividend is subject to the actual profits and capital demand situation, and the shareholders' meeting for approval of the adjustment.

Article XXX-I The Company's surplus earning distribution or loss off-setting proposal may be proposed at the close of each half fiscal year.

Proposals for surplus earnings distribution or covering of losses for the first half of the fiscal year, along with the Business Report and Financial Statements, shall be reviewed and approved by the Audit Committee prior to sending the proposal to the Board of Directors for approval. The proposal of surplus earning distribution or loss off-setting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to the Audit Committee for their auditing, and afterwards be submitted to the Board of Directors for approval.

The Company distributing surplus earning in accordance with the provision of the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.

When distributing surplus earning in the form of new shares to be issued by the Company in accordance with the provision of Paragraph 2 shall follow the provisions of Article 240; if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the Board of Directors.

Surplus earning distribution or loss off-setting proposal by the Company in accordance with the provisions of the preceding four paragraphs shall be made based on the financial statements audited or reviewed by a certified public accountant.

Article XXX-II The subjects for the distribution of rewards and remunerations, such as treasury stock to employee, employee stock option, employee remunerations (stock ownership), the right to subscription of new shares, new restricted employee shares and so forth, shall include employees of control or subordinate companies other than the employees of the Company.

Chapter 7 Miscellaneous

Article XXXI The Company’s organization charter and operational rules to be established separately.

Article XXXII For any items not yet established in the Articles of Incorporation shall be processed according to the Company Act and related laws and regulations.

Article XXXIII The Articles of Incorporation were established on April 22, 1980.

1st amendment on June 10, 1980;

2nd amendment on July 1, 1980;

3rd amendment on September 10, 1982;

4th amendment on June 20, 1983;

5th amendment on November 6, 1984;

6th amendment on June 20, 1986;

7th amendment on October 8, 1989;

8th amendment on May 23, 1990;

9th amendment on October 5, 1991;

10th amendment on March 15, 1992;
11th amendment on October 15, 1993;
12th amendment on January 10, 1995;
13th amendment on March 6, 1997;
14th amendment on October 16, 1997;
15th amendment on December 1, 2001;
16th amendment on June 29, 2007;
17th amendment on October 9, 2009;
18th amendment on May 16, 2011;
19th amendment on October 25, 2011;
20th amendment on June 12, 2012;
21st amendment on May 27, 2015;
22nd amendment on May 31, 2016;
23rd amendment on May 26, 2017;
24th amendment on May 28, 2019;
25th amendment on May 27, 2020.

III. The Company Election of directors

1. General provisions

1.1. Purpose

The Company's Board of Directors election will be held in a fair, just, and open manner in accordance with Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

1.2. Scope of application

The Company's Board of Directors election shall be based on this regulation, unless otherwise specified in the laws and regulations or the Company's Articles of Incorporation.

1.3. Responsible unit

Office of the Board of Directors for the Group is the management unit for this regulation

1.4. Terms and definition

None

2. Major contents

2.1. The structure of the Company's Board of Directors shall consider the Company's operations development model, the situation of the shares held by major shareholders, and the needs of the actual operations to decide on a suitable number of directors needed. The formation of the Board of Directors shall consider diversity and its operations, operation type and development needs to establish a suitable and diverse direction, including but not limited to the two major aspects as listed below:

I. Standard conditions and values: Gender, age, nationality and culture.

II. Professional knowledge and skills: Professional background (such as law, accounting, industrial, finance, marketing and technical), professional skills and industrial experiences.

Members of the Board of Directors shall generally possess the necessary knowledge, skills and competencies for execution the job, and the overall capabilities are listed as below:

I. Capabilities in making judgements in operations.

II. Capabilities in accounting and financial analysis.

III. Capabilities in business management.

IV. Capabilities in crisis handling.

V. Industrial knowledge.

VI. International market perspectives.

VII. Leadership.

VIII. Decision-making capabilities.

2.2. Except where the Competent Authority has granted approval, a spousal relationship or a familial relationship within second degree of kinship may not exist among more than half of a company's directors:

The Company's Board of Directors shall make adjustments to the board members composition according to the performance evaluation outcomes.

2.3. For election of the Company's directors shall be governed based on the nomination system specified in Article 192-1 of the Company Act.

2.4. The qualifications of the Company's independent directors shall comply with Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of the Company's independent directors shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."

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

When the number of directors falls below five due to the dismissal of a director for any reason, this Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in this Company's articles of incorporation, this Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the provison of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

2.6. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

2.7. The number of directors will be as specified in this Company's articles of incorporation, adopt the candidate nomination system with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

2.8. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

2.9. A ballot is invalid under any of the following circumstances:

I. The ballot was not prepared by a person with the right to convene.

II. A blank ballot is placed in the ballot box.

III. The writing is unclear and indecipherable or has been altered.

IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.

V. Other words or marks are entered in addition to the number of voting rights allotted.

2.10. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

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

2.11. The Board of Directors of this Corporation shall issue notifications to the

MOPS (Market Observation Post System)

3. Miscellaneous

3.1. Methods and procedures for the establishment, amendment or revocation.

The Rules are to be implemented after it is agreed by the Audit Committee, followed by passing the resolution in the Board of Directors meeting, and proposed to the Shareholders' Annual Meeting for approval. The same applies to the amendments.

3.2. Announced implementation date and amendment dates.

The Rules are implemented after it is announced on June 15, 2010.

1st amendment, May 16, 2011;

2nd amendment, June 12, 2012;

3rd amendment, May 27, 2015;

4th amendment, May 31, 2016;

5th amendment, July 29, 2021;

4. Attachments and tables

None

IV. Shareholdings of directors

(i) The Company's paid-in capital is NTD 908,200,000, a total of 90,820,000 shares.

(ii) According to Paragraph 2 of Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:" For companies with paid-in capital exceeding NTD 300 million and below NTD 1 billion, the total registered shares owned by all directors shall not be less than ten percent of the total issued shares, which is 7,265,600 shares (if there are more than two elected independent directors, the total registered shares owned by all directors excluding independent directors will be reduced to 80% of the preceding percentage of the total issued shares).

(iii) The status of share ownership by individual and all directors based on the entries inscribed on the shareholders list as of when this shareholders' annual meeting ends and the date before book closure (March 29th, 2022):

Unit: Shares

Title	Name	Shareholding	Shareholding Ratio
Chairperson	Wen Chen Shen	9,654,182	10.63%
Director	Tung-Chen Chu	3,499,789	3.85%
Director	Kuei-Lin Chang	2,932,846	3.23%
Director	Pei-Ni Shen	1,922,394	2.12%
Director	Kuo-Fen Lin	1,392,935	1.53%
Director	Chao-Yueh Chuang	-	0.00%
Independent director	Shih-Chien Yang	-	0.00%
Independent director	Chen-Chi Ma	-	0.00%
Independent director	Ying-Huang Yang	-	0.00%
Total		19,402,146	21.36%

Thank you for your participation at the Annual General Meeting!

We welcome any advice and comments anytime!