

Zeng Hsing Corporation

2021 Annual General Meeting Notice

1. The 2021 Annual General Meeting will be held at 9:00 AM on Friday, 11 June 2021 at 4F., No. 78, Yongcheng Rd., Taiping Dist., Taichung City 411, Taiwan (R.O.C.)

(1) Status Reports:

- a. 2020 Annual Business Report
- b. Supervisor Review Report
- c. Endorsements and Guarantees Report
- d. 2020 Distributable Compensation for Employees and Directors
- e. Amendment of Guidelines for the Adoption of Codes of Ethical Conduct Report
- f. Amendment of the Ethical Corporate Management Best Practice Principles Report
- g. Governing Share Repurchase Report

(2) Approval Items

- a. The Company's 2020 annual business report and financial statements
- b. The Company's 2020 earnings distribution

(3) Discussion Items

- a. Amendment to the Rules of Procedure for Shareholders Meetings
- b. Amendment to the Rules for Director and Supervisor Elections
- c. Amendment to the Articles of Incorporation
- d. Amendment to Articles of Regulations Governing Loaning of Funds and Making of Endorsements
- e. Amendment to Articles of the Operational procedures for Acquisition and Disposal of Assets
- f. Issuance of New Restricted Employee Shares

The total amount of the issuance and the conditions are as follows:

1. Issue price: This issuance is free of charge, the price should be NT\$0 per share.
2. Total issue: 500,000 shares
3. Vesting conditions: employees meeting the seniority and performance requirement recorded in the Regulations of Issuance of New Restricted Employee Shares
4. The treatment of not meeting the vesting conditions or subject to inheritance after employees receive restricted shares: Proceed as prescribed in the Company's issuance regulations.

5. Qualifications of employees and number of shares to be awarded:
 - (1) Only full-time employees who are already on board before the grant date will be awarded the restricted employee shares. The actual qualified employee and the actual number of shares to be awarded will be determined by the Chairman with approval from the Board of Director taking into consideration the seniority, rank, performance, overall contribution, special achievement or any other conditions required by management.
 - (2) The number of restricted employee shares granted to an individual employee shall be made in accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
6. The decisive reasons for the issue of new restricted employee shares: To reward outstanding employees and keep talented employees, and to create more corporate benefit and shareholder interests.
7. The possible amount expended: The amount was estimated tentatively based on the closing price at NT\$150.5 per share on 22 February 2021. The estimated amount expended for 2021, 2022, and 2023 are NT\$22,575,000, NT\$22,575,000, NT\$30,100,000, respectively.
8. Dilution of the Company's earnings per share and other matters affecting shareholders' equity: The effect of the Company's dilutive earnings per share is estimated to be \$0.37, \$0.37 and \$0.50 in 2021, 2022 and 2023, respectively. (Based on 60,535,631 shares issued by the Japan entity on 22 February 2021).
9. Based on the above estimation, the impact on the Company's earnings per share for the comping years is reasonable.
10. The restricted right after the employee is granted or subscribes new shares prior to achieving vesting condition: The process will proceed according to relevant laws and the issuance guideline pronounced by the Company.
11. Other important agreed matters: The new restricted employee shares issued by the Company will be held in stock ownership trust.
12. Other matters to be stated:
 - (1) The Company's Regulations of Issuance of New Restricted Employee Shares will become effective after obtaining consent from the majority of the attending directors accounting for more than two-thirds of the Board members and approved by the competent authority. If amendment of the regulations is required by the competent authority during the review process, the Chairman is authorized to make amendments and report to the board for acknowledgement later before the shares can be issued.
 - (2) For matters not stated herein, unless otherwise provided by law, the Board of Directors or the persons authorized by the Board of Directors are fully authorized to amend or execute the regulations pursuant to relevant laws.

2. The 2020 Earnings Distribution is proposed as follows:
Cash dividend of NT\$575,088,495, approximately NT\$9.5 per share.
3. The main contents of the article 172 of the Company Act should be explained in the convening of the matter. Please visit Market Observation Post System for enquiry.
(URL: <http://mops.twse.com.tw/mops/web/index>)
4. In accordance with Article 165 of the Company Act, share transfers shall be discontinued during the period starting from 13 April 2021 until 11 June 2021.
5. Please find enclosed herewith the Company's Notice to Shareholders for Participation and Proxy, one set each. A shareholder who decides to participate in the shareholders' meeting in person is requested to sign or affix a seal onto the Notice to Shareholders for Participation (not to be mailed back if you decide to participate in person). A shareholder who decides to authorize a proxy to participate on his/her behalf is requested to sign or affix a seal onto the Proxy form and fill up the name, address with signature or affixed the seal of the Proxy and submit the Proxy to the Company's shareholder services agent five (5) days prior to the scheduled meeting time as the latest in person (by mail): Transfer Agency Department of SinoPac Securities.
6. Shareholders, solicitors and fiduciary agents should attend the shareholders' meeting and bring proof of identity for verification.
7. In case of solicitation of proxies by shareholders, the Company will disclose it to the website of the Securities & Futures Institute on or before 11 May 2021. A shareholder who intends to inquire about it may directly key in <http://free/sfi.org.tw> into "Free Inquiry Shareholders' Meeting for Proxy Related Information" and then input the conditions of inquiry.
8. In the present shareholders' meeting, shareholders are entitled to exercise voting powers by electronic means (e-voting). The period of exercise of such right: A period starting from 12 May 2021 until 8 June 2021. A shareholder shall log in into "Shareholders e-voting" of Taiwan Depository & Clearing Corporation (TDCC) 【 Website: <https://www.stockvote.com.tw> 】 and then vote as instructed. A shareholder who exercises e-voting in accordance with the provisions set forth under the Company Act is deemed to have participated in the special shareholders meeting in person. Where a shareholder exercises e-voting and further commissions a proxy to participate in the shareholders' meeting, the voting power exercised by the commissioned proxy shall prevail.

9. Ten directors shall be elected this time (including 3 independent directors) by nomination. For the director candidate list, as follow: Chih-Cheng Lin, Chong-Ting Tsai, Feng-Tzu Li, Shu-Cheng Liao, Jui-I Hung, Meng-Tsong Ho, Po-Sung Chang. For the independent director candidate list, as follow: Chih-Sheng Wu, Ming-Liang Tang, Chun-Ming Hsu. Education, experience and position of the candidates: please visit Market Observation Post System. (URL: <http://mops.twse.com.tw>)
10. The Company's statistical verification agency is SinoPac Securities Corporation.
11. Please acknowledge.

Respectfully,
Board of Directors
Zeng Hsing Industrial Co., Ltd.