



Zeng Hsing Industrial CO., LTD

2021 Annual General Meeting

Meeting Agenda

Date: 11 June 2021

-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2020 ANNUAL GENERAL MEETING ("THE AGENDA") OF ZENG HSING CORPORATION ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE SHALL APPLY. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Table of Contents

I. Procedure

II. Agenda

1. Status Reports
2. Approval Items
3. Discussion Items
4. Election Items
5. Other Matters
6. Special Motion

III. Attachments

1. Annual Business Report
2. Audit Committee's Review Report
3. Endorsements and Guarantees Report
4. Table Comparing the Amended Articles of the Ethical Corporate Management Best Practice Principles
5. Table Comparing the Amended Articles of the Rules of Procedure for Board of Directors Meetings
6. Independent Auditors' Report and 2019 Financial Statements
7. Earnings Distribution Chart
8. Table Comparing the Amended Articles of the Rules of Procedure for Shareholders Meetings
9. Table Comparing the Amended Articles of the Rules for Director and Supervisor Elections
10. Table Comparing the Amended Articles of the Articles of Incorporation
11. Table Comparing the Amended Articles of Regulations Governing Loaning of Funds and Making of Endorsements
12. Table Comparing the Amended Articles of the Operational procedures for Acquisition and Disposal of Assets
13. Information about director candidates

IV. Appendices

1. Articles of Incorporation (Before Amendments)
2. Rules of Procedure for Shareholders Meetings (Before Amendments)
3. Rules of Director and Supervisor Elections (Before Amendments)
4. Guidelines for the Adoption of Codes of Ethical Conduct
5. Ethical Corporate Management Best Practice Principles (Before Amendments)
6. Regulations Governing Loaning of Funds and Making of Endorsements (Before Amendments)
7. Regulations Governing the Acquisition and Disposal of Assets
8. Shareholdings of All Directors and Supervisors



Zeng Hsing Corporation

2021 Annual General Meeting Procedure

1. Commencement
2. Chairman Takes Seat
3. Chairman's Address
4. Status Reports
5. Approval Items
6. Discussion Items
7. Election Items
8. Other issues
9. Extraordinary Motions
10. Adjournment



Zeng Hsing Corporation

2021 Annual General Meeting Procedure

1. Time: Friday, 11 June 2021 9:00 a.m.
2. Location: 4F., No. 78, Yongcheng Rd., Taiping Dist., Taichung City, Taiwan
3. Attendants: All shareholders and their proxy holders
4. Chairman: Chih-Cheng Lin
5. Chairman's Address
6. Status Reports
 - (1) 2020 business operations
 - (2) Audit Committee's report of the 2020 audited financial reports
 - (3) The company endorsement guarantee amount report
 - (4) Distributable compensation for employees and directors report
 - (5) Amendment of Guidelines for the Adoption of Codes of Ethical Conduct Report
 - (6) Amendment of the Ethical Corporate Management Best Practice Principles Report
 - (7) Implementation of Share Buyback Program
7. Approval Items
 - (1) The company's 2020 business report and financial statements
 - (2) The company's 2020 earnings distribution
8. Discussion Items
 - (1) Amendment to the Rules of Procedure for Shareholders Meetings
 - (2) Amendment to the Rules for Director and Supervisor Elections
 - (3) Amendment to the Articles of Incorporation
 - (4) Amendment to Articles of Regulations Governing Loaning of Funds and Making of Endorsements
 - (5) Amendment to Articles of the Operational procedures for Acquisition and Disposal of Assets
 - (6) Issuance of New Restricted Employee Shares
9. Election Items
 - (1) Election for directors
10. Other issues
 - (1) resolution on non-competition clause exemption for directors
11. Extraordinary Motions
12. Adjournment

Status Reports

- (1) 2020 business operations
Please refer to the 2020 Annual Business Report (Attachment 1)
- (2) The supervisor's examination of the company's (hereinafter "the Company") 2020 financial statement
Please refer to the Supervisor Review Report (Attachment 2)
- (3) The Status of Endorsements and Guarantees
Please refer to the Status of Endorsements and Guarantees (Attachment 3)
- (4) 2020 distributable compensation for directors and employees
 - 1) Per Article 35 of the Company's Articles of Incorporation.
 - 2) The Company's pre-tax net profit in 2020 less the pre-tax remuneration to directors and supervisors and employee compensation amounted to NT\$1,070,286,815. The Company planned to distribute remuneration to the directors in the amount of NT\$4,660,000 and the employees compensation in the amount of NT\$28,000,000. There is no difference between the estimated amount of NT\$4,660,000 for the Company's board of directors (hereinafter the "Board of Directors") and NT\$28,000,000 for employees.
- (5) Amendment of Guidelines for the Adoption of Codes of Ethical Conduct Report
Please refer to the Guidelines for the Adoption of Codes of Ethical Conduct Report (Attachment 4)
- (6) Amendment of the Ethical Corporate Management Best Practice Principles Report
Please refer to the Ethical Corporate Management Best Practice Principles Report (Attachment 4)
- (7) Report of Implementation Situation of Share Buyback Program
In Accordance with Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies announced by Financial Supervisory Commission R.O.C. (Taiwan).

(1) The Company executed share buyback program in 2020 as follows:

Instance of the repurchase	4rd Round
Purpose of the repurchase	Transfer to employees
Planned period for the repurchase	2020/03/27~2020/05/26
Price range of the shares to be repurchased (NT\$)	NT\$90~110 (or below)
Types of shares repurchased and executed volume (shares)	0 Common shares
Purchase amount	NT\$0
Percentage of purchased amount over estimated purchasing	0%
Number of shares canceled or transferred	-
Cumulative number of shares held	0 Common shares
Cumulative holding of the company's shares as a percentage of the number of shares intended to repurchase (%)	0%

Approval Items

- (1) The Company's 2020 business report and financial statements
 - 1) The Company's 2020 Annual Business Report and financial statements have been approved by the Board of Directors, and reviewed by the supervisors. The report was issued accordingly.
 - 2) Please refer to the 2020 Annual Business Report (Attachment 1) and Attachment 6

- (2) The Company's 2020 earnings distribution
 - 1) The Company's 2020 Earnings Distribution Chart was approved by the board meeting held on 3 March 2021.
 - 2) The cash dividends proposed to be distributed to the shareholders totaled NT\$ 575,088,495.
 - 3) After the proposal is approved at the shareholders' meeting this year, this surplus distribution plan is to be submitted to the shareholders' meeting for the directors' authorization.

On the ex-dividend base date, the shares held by the shareholders recorded in the shareholders roster on the base date will be paid cash dividend in the amount of NT\$9,500 per thousand shares. If the Company has to retire shares or issue new shares after the Company buys back shares or the employees exercise stock options, thereby affecting the number of outstanding shares, please authorize the chairman to adjust the distribution ratio according to the distributable common shares profit decided by the shareholders' meeting and the number of shares actually issued by the company.
 - 4) Please refer to the 2020 Earnings Distribution Chart (Attachment 7)

Discussion Items

(1) Amended Articles of the Rules of Procedure for Shareholders Meetings.

In order to comply with competent authority and company operations, the Company hereby proposes to amend the Rules of Procedure for Shareholders Meetings. Please refer to Attachment 8.

(2) Amended Articles of the Rules for Director and Supervisor Elections.

In order to comply with competent authority and company operations, the Company hereby proposes to amend the Rules for Director and Supervisor Elections. Please refer to Attachment 9.

(3) Amended Articles of Incorporation.

In order to comply with competent authority and company operations, the Company hereby proposes to amend the Articles of Incorporation. Please refer to Attachment 10.

(4) Amended Articles of Regulations Governing Loaning of Funds and Making of Endorsements.

In order to comply with competent authority and company operations, the Company hereby proposes to amend Articles of Regulations Governing Loaning of Funds and Making of Endorsements. Please refer to Attachment 11.

(5) Amended Articles of the Operational procedures for Acquisition and Disposal of Assets.

In order to comply with competent authority and company operations, the Company hereby proposes to amend Articles of the Operational procedures for Acquisition and Disposal of Assets. Please refer to Attachment 12.

(6) Issuance of New Restricted Employee Shares.

1) In order to reward outstanding employees and retain talents to create more benefits for both the Company and shareholders, the Company issued new restricted employee shares pursuant to Article 267 of Company Act and the related guidelines of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" issued by the Financial Supervisory Commission.

- 2) The Company may choose to issue the shares in one bulk or in several installments as the Company requires. The issuance should be conducted within one year since the competent authority notifies the effective date. The actual date of issuance will be determined by the Chairman.
- 3) The total amount of the issuance and the conditions are as follows:
 1. Total issue: 500,000 shares
 2. Conditions of issuance:
 - (1) Issue price: This issuance is free of charge, the price should be NT\$0 per share.
 - (2) Vesting conditions: employees meeting the seniority and performance requirement recorded in the Regulations of Issuance of New Restricted Employee Shares.
 - (3) Types of issue: Common stocks
 - (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.
 3. 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 share 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.
 4. 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.

5. The possible amount expensed, and dilution of the Company's earnings per share.:
- (1) The amount expensed:

The amount was estimated tentatively based on the closing price at NT\$150.5 per share on 22 February 2021. The estimated amount expensed for 2021, 2022, and 2023 are NT\$22,575,000, NT\$22,575,000, NT\$30,100,000, respectively.
 - (2) 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). Based on the above estimation, the impact on the Company's earnings per share for the comping years is reasonable.
 - 4) 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.
 - 5) Other important agreed matters:

The new restricted employee shares issued by the Company will be held in stock ownership trust.
 - 6) 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.

Election Items

- (1) The term of the Company's seventeenth directors and supervisors will expire on 12 June 2021 and will be re-elected at shareholders meeting.
- (2) We intend to set up an audit committee to replace the supervisors in accordance with Article 14-4 of the Securities and Exchange Act. There is no need to elect a supervisor accordingly.
- (3) Ten directors shall be elected this time (including 3 independent directors) by nomination. The shareholder's meeting shall elect directors from the director candidate list (including the independent directors) approved by the Board on 3 March 2021 pursuant to the Articles of Incorporation and relevant rules.
- (4) The new directors (including independent directors) will assume the positions immediately upon election. The eighteenth term is from 11 June 2021 to 10 June 2024 for a term of three years. The original directors (including independent directors) and supervisors will be dismissed from the date of re-election.
- (5) For the director candidate list (including independent directors), please refer to [Attachment 13]

Other issues

(1) To lift the restrictions on non-competition for the directors

- 1) Lift the restrictions on non-competition for new directors pursuant to Article 209 of the Company Act. Considering the actual needs, it is proposed to lift the restrictions on non-competition for new directors of the Company.
- 2) The positions of directors in relation to the Company's business operation on their own behalf or on behalf of others are as follows:

Job Title	Name	Position in other company
Director	Chih-Cheng Lin	Chairman of MITSUMICHI INDUSTRIAL CO., LTD
Director	Chong-Ting Tsai	Director of Canxin Investment Co., Ltd.
Director	Feng-Tzu Li	Director of Xie-Feng Aluminum Co., Ltd. Chairman of Chua-Chen Machinery Co., Ltd.
Director	Shu-Cheng Liao	Chairman & President of Long-Huan Co., Ltd. Chairman of Sheng-Hong investment Co., Ltd.
Director	Jui-I Hung	Director of CHIUAN HUANG LTD.
Director	Meng-Tsong Ho	Chairman & President of MAGIC OUTDOOR INTERNATIONAL LIMITED
Director	Po-Sung Chang	Chairman of TAIWAN CHEER CHAMP CO., LTD.
Independent Director	Chih-Sheng Wu	Vice chairman of Turvo international Co., Ltd. Director of Chu-Lin investment Co., Ltd. Director of Matec Southeast Asia (Thailand) Co., Ltd.
Independent Director	Ming-Liang Tang	Independent director of LUNG PIEN VACUUM INDUSTRY CO., LTD. Independent Director of LAGIS ENTERPRISE CO., LTD
Independent Director	Chun-Ming Hsu	Independent director of Calin Technology Co., Ltd.

Extraordinary Motions

Adjournment

Attachments 1

Zeng Hsing Corporation 2020 Annual Business Report

1. Management policy and implementation summary

- (1) Develop corporate vision and strategy to implement management by objectives: We'll integrate organization resources with strategy as the core, set annual goals for each entity in the group, and conduct differential analysis regularly to improve operating performance.
- (2) We will continue to research and develop new products to strengthen existing production lines, upgrade the user interface and provide online video and tutorials. Also, we will improve existing product appearances and features by cooperating with academia to provide diversified products combination.
- (3) To provide multiple services and enhance customer relationship: We would like to strengthen our long-term corporation relationship by meeting the demands from customers effectively and provide diversified products and services.
- (4) We would like to enhance our production quality and effectiveness by developing automatic equipment and upgrading our fixtures.
- (5) Through the key talent development and function consolidation plans to strengthen the various career training, to achieve multi-tasking. The Company keeps improving the establishment and management of teaching materials so that the employees can take full advantage and enhance their professional competencies. We will implement performance interviews and establish a complete promotion system.
- (6) Continue to promote green product management: promote green product design and taking advantage of the international environmental conservation trend to pursue continuous improvement; implement ISO14001 environmental management system and green procurement policy to ensure compliance with EU environmental regulations.

(7) Continuously promote the greenhouse gas checking system ISO 14064-1 and energy management system ISO 50001.

(8) MES/SPC (MES: Manufacturing Execution System, SPC: Statistic Process Control) system: We improve our production process, enhance the effectiveness and control our online performance by using this system.

(9) We manage cost and resource management, enhance production efficiency, and quality control by developing machine to machine link and big data collection.

2. The Result of Implementation of Business plan (individual)

The 2020 net income of the Company reached NT\$6,966 million, increasing by 17.35% compared to NT\$5,936 million in 2019. The 2020 net income before tax amounted to NT\$1,131 million, decreasing by 24.97% compared to NT\$905 million in 2019.

3. Execution of the Budget of Operating income and expenditure

The financial forecast was not disclosed publicly by the Company, as a result, there is no related statement available

4. Profitability analysis (Expressed in Thousand New Taiwan Dollars)

Project		Year	
		2020	2019
Operational performance	Operating revenues	\$6,965,819	\$5,935,948
	Gross profit	1,960,012	1,489,275
	Operating profit and loss	1,189,969	851,030
	Earning before Tax	1,130,697	904,531
	Net income attributable to stockholder of the parent	832,980	695,801
	Earnings per share (NTD)	13.76	11.16
Profitability Analysis	Return on Total Assets (%)	11.79	10.43
	Return on Equity (%)	17.16	14.26
	Operating profit / paid-in capital (%)	195.57	140.58
	Pre-tax net profit / paid-in capital (%)	186.78	149.42
	Net Margin (%)	12.14	11.59

PS. Data shown below are from the group's consolidated financial statement

5. Research development status

(1) Since its establishment, the Company has continuously invested in research and development talents and material resources to maintain competitiveness. The research and development expenditure in 2020 reached NT\$108,111 thousand, accounting for 1.55% of the net revenue, which was 2.95% more than the NT\$105,013 thousand in 2019.

(2) Successfully developed technologies or products

YEAR	Research results
2020	QM10AE (Electronical horizontal full rotation sewing machine)
	QM25A (Mechanical horizontal full rotation sewing machine)
	H71ES1, H73ES (Computer type horizontal full rotation sewing machine)
	Q61KST (Mechanical horizontal full rotation sewing machine)
	H20P,H30P,H40P (Mechanical horizontal full rotation sewing machine)
	K35NP (Mechanical vertical semi-rotary sewing machine)
	CH02AX (Mechanical WIFI Embroidery machine)

Chairman: Chih-Cheng Lin

Manager: Ming-Yu Tsai

Chief Accountant: Tzu-Ho Chuang

Attachment 2

Zeng Hsing Corporation Supervisor Review Report

The Board of Directors has prepared and submitted to us the Company's 2020 Business Report, proposal for earnings distribution and the financial statements audited by the accountant, who issued an audit report accordingly. Pursuant to Article 219 of the Company Act, we hereby submit this report.

Zeng Hsing Corporation

Supervisor: Po-Sung Chang

Supervisor: Hui-Yu Huang

Supervisor: Meng-Tsong Ho

3 March 2021

Attachment 3

Zeng Hsing Corporation
31 March 2021 Endorsement Breakdown Report

Unit: NT\$ thousand

Endorser/ Guarantor	Relationship	Company name	Limit of guarantee/ endorsement amount for a single entity (Note 3)	Maximum balance as of the month	Ending balance	Actual amount drawn	Amount of guarantee/ endorsement secured by property	Ratio of Accumulated Amount of Guarantee Provided to Net Equity of the Latest Financial Statements	Maximum guarantee Limit (Note 4)
Zeng Hsing Industrial CO., LTD.	Subsidiary	Zeng Hsing Industrial CO., Ltd. (VN)	\$1,593,480	\$641,948	\$527,824	\$142,424	\$-	9.94%	\$2,124,640
Total					\$527,824	\$142,424	\$-		

Note 1: Limit of total guarantee/endorsement amount shall not exceed 40% of the Company's net assets value.

Note 2: The amount of guarantees/endorsements provided to a single overseas associated entity shall not exceed 30% of the Company's net assets value.

Note 3: The total amount of endorsements guaranteed by the Company and its subsidiaries shall not exceed 45% of the Company's current net value.

Note 4: The amount guaranteed by the Company and its subsidiaries for endorsement of a single enterprise shall not exceed 30% of the Company's current net value.

Note 5: The Company's endorsement guarantees are not subject to above Notes 1 and 2 between the foreign subsidiaries that the Company directly and indirectly hold 100% of voting shares.

【Attachment 4】

Zeng Hsing Corporation

Comparison Table for the Amendments to Guidelines for the Adoption of Codes of Ethical Conduct

Article	Original	Amendment	Amendment Reason
Article 1	In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, supervisors, and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.	In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, supervisors , and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.	To comply with the amendment to laws and company practices
Article 3 Content of the code	Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters: 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director, supervisor, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director,	Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters: 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director, supervisor , or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, —	To comply with the amendment to laws and company practices

Article	Original	Amendment	Amendment Reason
	<p>supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>2. Minimizing incentives to pursue personal gain: The Company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.</p> <p>3. Confidentiality: The directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.</p> <p>4. Fair trade: Directors, supervisors, and managerial officers shall treat all suppliers and</p>	<p>supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.</p> <p>2. Minimizing incentives to pursue personal gain: The Company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.</p> <p>3. Confidentiality: The directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.</p> <p>4. Fair trade: Directors, supervisors, and managerial officers shall treat all suppliers and</p>	

Article	Original	Amendment	Amendment Reason
	<p>customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p> <p>5. Safeguarding and proper use of company assets: All directors, supervisors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.</p> <p>6. Legal compliance: The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.</p> <p>7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.</p> <p>8. Disciplinary measures: When a director, supervisor, or</p>	<p>customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.</p> <p>5. Safeguarding and proper use of company assets: All directors, supervisors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.</p> <p>6. Legal compliance: The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.</p> <p>7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the Company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.</p> <p>8. Disciplinary measures: When a director, supervisor, or</p>	

Article	Original	Amendment	Amendment Reason
	<p>managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.</p>	<p>managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.</p>	
<p>Article 4 Procedures for exemption</p>	<p>The code of ethical conduct adopted by a Company must require that any exemption for directors, supervisors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>The code of ethical conduct adopted by a Company must require that any exemption for directors, supervisors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</p>	<p>To comply with the amendment to laws and company practices</p>
<p>Article 6 Enforcement</p>	<p>The Company's code of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>The Company's code of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each supervisor <u>audit committee</u>, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>To comply with the amendment to laws and company practices</p>

【 Attachment 5 】

Zeng Hsing Corporation

Comparison Table for the Amendments to the Procedures for Ethical Management

Article	Original	Amendment	Amendment Reason
Article 2 (Prohibition of dishonesty)	When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.	When engaging in commercial activities, directors, supervisors , managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors , managers, employees or substantial controllers or other stakeholders.	To comply with the amendment to laws and company practices
Article 8 (Prohibition of bribery)	When conducting business, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	When conducting business, the Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	To comply with the amendment to laws and company practices
Article 9 (Prohibition of providing illegal political contributions)	When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	To comply with the amendment to laws and company practices

Article	Original	Amendment	Amendment Reason
Article 10 (Prohibition of inappropriate donations and sponsorship)	When making or offering donations and sponsorship, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	When making or offering donations and sponsorship, the Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	To comply with the amendment to laws and company practices
Article 11 (Prohibition of inappropriate gift, entertainment and improper benefit)	The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	The Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	To comply with the amendment to laws and company practices
Article 12 (Prohibition of violating intellectual property rights)	The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	The Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	To comply with the amendment to laws and company practices
Article 14 (Prevent products or services harming engaged stakeholder)	In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of	In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors , managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of	To comply with the amendment to laws and company practices

Article	Original	Amendment	Amendment Reason
	consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.	
Article 15 (Organization and Responsibility)	The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. (Below omitted)	The directors, supervisors , managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. (Below omitted)	To comply with the amendment to laws and company practices
Article 16 (Abide by law for business conduct)	The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	The Company and the directors, supervisors , managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	To comply with the amendment to laws and company practices
Article 17 (Benefit avoid)	The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of	The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors , managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors , managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of	To comply with the amendment to laws and company practices

Article	Original	Amendment	Amendment Reason
	<p>interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The Company' directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The Company' directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
<p>Article 19 (Operating procedures and behavior guidelines)</p>	<p>The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>(Below omitted)</p>	<p>The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>(Below omitted)</p>	<p>To comply with the amendment to laws and company practices</p>
<p>Article 20 (Training and assessment)</p>	<p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical</p>	<p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical</p>	<p>To comply with the amendment to laws and company practices</p>

Article	Original	Amendment	Amendment Reason
	<p>conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	
<p>Article 21 (whistle-blowing system)</p>	<p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p>	<p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <p>An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.</p> <p>Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors.</p> <p>Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p>	<p>To comply with the amendment to laws and company practices</p>
<p>Article 24 (Review and Amendment of the Code of Integrity Management)</p>	<p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	<p>To comply with the amendment to laws and company practices</p>
<p>Article 25 (Implement)</p>	<p>The ethical corporate management best practice principles of each the Company shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same</p>	<p>The ethical corporate management best practice principles of each the Company shall be implemented after the board of directors grants the approval and shall be sent to the supervisors audit committee and reported at a shareholders' meeting.</p>	<p>To comply with the amendment to laws and company practices</p>

Article	Original	Amendment	Amendment Reason
	<p>procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>For the Company that has established an audit committee, the provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</p>	<p>The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>For the Company that has established an audit committee, the provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</p>	

【 Attachment 6 】

Independent Auditors' Report

To ZENG HSING INDUSTRIAL CO., LTD

Opinion

We have audited the accompanying consolidated balance sheets of ZENG HSING INDUSTRIAL CO., LTD and its subsidiaries (the "Group") as of 31 December 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2020 and 2019, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2020 and 2019, and their consolidated financial performance and cash flows for the years ended 31 December 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 2020 consolidated financial statements. 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.

Impairment of accounts receivable

As of 31 December 2020, the Group's accounts receivable and allowance for doubtful accounts amounted to NTD 1,221,231 thousand and NTD 6,062 thousand, respectively. Net accounts receivable represented 15% of the total consolidated assets that could have significant impacts on the Group. Since the collection of notes and accounts receivable is the key factor in the working capital management of the Group, and the adoption of provision policy requires significant management judgement whose measurement results affect the net amount of accounts receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook; investigating accounts receivable details at end of the period, recalculating the reasonableness of loss allowance based on the expected credit loss ratio of each group; analyzing the receivable turnover to evaluate recoverability based on individual customers with significant sales amount; evaluating the reasonableness of the allowance for doubtful accounts based on individual customers with significant overdue accounts or longer aging, reviewing the collection in subsequent period.

In addition, we considered the adequacy of the disclosures related to accounts receivable in Notes 5 and 6 to the consolidated financial statements.

Valuation for inventories

As of 31 December 2020, the net inventories amounted to NTD 1,311,313 thousand accounting for 16% of the total consolidated assets that could have significant impacts on the Group. The Group starts manufacturing after receiving orders from customers, so we mainly assessed the allowance for inventory valuation and slow-moving losses for raw materials, supply and parts. Due to diversity of products and uncertainty arising from rapid changes in products, allowance for obsolete and slow-moving inventory valuation requires significant management judgement, we therefore determined the issue as a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control system with respect to obsolete and slow-moving inventory; understanding the allowance for inventory loss and slow-moving inventory policies; sampling important storage locations to observe inventory counts; testing the correctness of the inventory aging intervals to make sure that the inventory aging schedule was appropriate. In addition, we sample tested inventories to check related certificates of purchases and sales and to re-calculate the unit cost of inventories to evaluate the reasonableness of the net realizable value of inventory.

In addition, we also considered the adequacy of the disclosures related to inventory in Notes 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of Component Auditor

Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NTD 32,443 thousand and 26,841 thousand, representing 0.41% and 0.42% of consolidated total assets as of 31 December 2020 and 2019, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NTD 5,602 thousand and NTD 22,281 thousand, representing 0.5% and 2.46% of the consolidated net income before tax for the years ended 31 December 2020 and 2019, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the financial reporting process of the Group.

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 2020 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Others

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2020 and 2019.

Tu, Chin Yuan
Chen, Ming Hung
Ernst & Young, Taiwan
3 March 2021

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

Assets	Notes	As at	
		31 December 2020	31 December 2019
Current Assets			
Cash and cash equivalents	4, 6(1), 12	\$2,728,335	\$2,427,869
Financial assets at fair value through profit or loss, current	12, 13(1)	114,282	-
Accounts receivable, net	4, 6(2), 6(12), 12	1,215,169	1,002,937
Other receivables	12	15,140	16,656
Inventories, net	4, 6(3)	1,311,313	574,123
Prepayment		62,462	93,368
Other current assets	8	200,559	96,055
Total current assets		5,647,260	4,211,008
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	4, 12	-	14,959
Investments accounted for under the equity method	4	58,052	81,623
Property, plant and equipment	4, 6(4), 8	1,860,734	1,696,637
Right of use assets	4, 6(13)	237,047	190,928
Investment property	4	-	67,362
Intangible assets	4	41,002	38,951
Deferred tax assets	4, 6(17)	110,743	84,031
Other non-current assets	4, 12	26,845	56,559
Total non-current assets		2,334,423	2,231,050
Total assets		\$7,981,683	\$6,442,058

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

(continued)

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As at	
		31 December 2020	31 December 2019
Current liabilities			
Short-term loans	4, 6(5), 12	\$542,000	\$290,000
Short-term notes and bills payable	4, 6(6), 12	35,000	-
Contract liabilities, current	6(11)	82,813	13,801
Notes payable	12	23,042	8,900
Accounts payable	12	1,047,430	549,491
Other payables	12	339,942	245,646
Current tax liabilities	4	147,359	122,074
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(7), 12	66,151	40,000
Other current liabilities	4, 6(13), 12	37,160	25,559
Total current liabilities		2,320,897	1,295,471
Non-current liabilities			
Long-term loans	4, 6(7), 12	304,000	80,000
Deferred tax liabilities	4, 6(17)	255,209	217,854
Accrued pension liabilities	4, 6(8)	35,522	40,455
Other non-current liabilities	4, 6(13), 12	11,577	4,299
Total non-current liabilities		606,308	342,608
Total liabilities		2,927,205	1,638,079
Equity attributable to the parent company	4, 6(9)		
Capital			
Common stock		605,356	605,356
Additional paid-in capital		1,393,097	1,385,352
Retained earnings			
Legal reserve		730,563	730,563
Special reserve		211,385	163,100
Retained earnings		2,337,924	2,088,848
Total Retained earnings		3,279,872	2,982,511
Other components of equity			
Exchange differences on translation of foreign operations		(295,491)	(216,223)
Unrealized gains and losses on equity instrument measured at fair value through other comprehensive income		-	4,838
Non-controlling interests	6(10)	71,644	42,145
Total equity		5,054,478	4,803,979
Total liabilities and equity		\$7,981,683	\$6,442,058

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

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2020	2019
Net Sales	4, 6(11)	\$6,965,819	\$5,935,948
Cost of Sales	6(3), 6(14)	(5,005,807)	(4,446,673)
Gross Profit		1,960,012	1,489,275
Operating Expenses	6(13), 6(14)		
Selling and marketing		(210,907)	(151,012)
Management and administrative		(451,332)	(382,784)
Research and development		(108,111)	(105,013)
Expected credit gains	4, 6(12)	307	564
Total Operating Expenses		(770,043)	(638,245)
Operating Income		1,189,969	851,030
Non-operating income and expenses	6(15)		
Other income		52,098	68,852
Other gain and loss		(109,744)	(26,272)
Financial costs		(5,533)	(4,215)
Share of profit or loss of associates and joint ventures		3,907	15,136
Subtotal		(59,272)	53,501
Income before income tax		1,130,697	904,531
Income tax expense	4, 6(17)	(285,056)	(216,525)
Income, net of tax		845,641	688,006
Other comprehensive income	6(16), 6(17)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(3,631)	(2,849)
Share of profit of associates accounted for using equity method		-	1,382
Income tax related to items not reclassified to profit or loss		726	570
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(99,085)	(53,444)
Income tax related to items that may be reclassified subsequently to profit or loss		19,817	10,689
Total other comprehensive income (loss), net of tax		(82,173)	(43,652)
Total comprehensive income		\$763,468	\$644,354
Net income attributable to:			
Stockholders of the parent		\$832,980	\$675,801
Non-controlling interests		12,661	12,205
		\$845,641	\$688,006
Comprehensive income attributable to:			
Stockholder of the parent		\$750,807	\$632,149
Non-controlling interests		12,661	12,205
		\$763,468	\$644,354
Earnings per share (NTD)	6(18)		
Earnings per share-basic		\$13.76	\$11.16
Earnings per share-diluted		\$13.72	\$11.13

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

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Asset Measured at Fair Value through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
Balance as of 1 January 2019	6(9)	\$605,356	\$1,385,352	\$730,563	\$176,886	\$2,067,432	\$(173,468)	\$10,368	\$4,802,489	\$44,604	\$4,847,093
Appropriations of earnings, 2018:											
Special reserve					(13,786)	13,786					
Cash dividends						(665,892)			(665,892)		(665,892)
Net income for the year ended 31 December 2019						675,801			675,801	12,205	688,006
Other comprehensive income, net of tax for the year ended 31 December 2019						(2,279)	(42,755)	1,382	(43,652)		(43,652)
Total comprehensive income		-	-	-	-	673,522	(42,755)	1,382	632,149	12,205	644,354
Disposal of financial assets at fair value through other comprehensive income	6(10)							(6,912)	(6,912)		(6,912)
Cash dividends of subsidiary										(14,664)	(14,664)
Balance as of 31 December 2019	6(9)	\$605,356	\$1,385,352	\$730,563	\$163,100	\$2,088,848	\$(216,223)	\$4,838	\$4,761,834	\$42,145	\$4,803,979
Balance as of 1 January 2020	6(9)	\$605,356	\$1,385,352	\$730,563	\$163,100	\$2,088,848	\$(216,223)	\$4,838	\$4,761,834	\$42,145	\$4,803,979
Appropriations of earnings, 2019:											
Special reserve					48,285	(48,285)					
Cash dividends						(532,714)			(532,714)		(532,714)
Net income for the year ended 31 December 2020						832,980			832,980	12,661	845,641
Other comprehensive income, net of tax for the year ended 31 December 2020						(2,905)	(79,268)		(82,173)		(82,173)
Total comprehensive income		-	-	-	-	830,075	(79,268)	-	750,807	12,661	763,468
Cash dividends of subsidiary	6(10)									(10,387)	(10,387)
From share of changes in equity of subsidiaries			7,745						7,745		7,745
Increase in non-controlling interests	6(10)									27,225	27,225
Disposal of financial assets at fair value through other comprehensive income								(4,838)	(4,838)		(4,838)
Balance as of 31 December 2020	6(9)	\$605,356	\$1,393,097	\$730,563	\$211,385	\$2,337,924	\$(295,491)	\$-	\$4,982,834	\$71,644	\$5,054,478

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

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

	For the years ended 31 December	
	2020	2019
Cash flows from operating activities:		
Net income before tax	\$1,130,697	\$904,531
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	259,540	232,284
Amortization	54,794	45,433
(Gain) loss on disposal of property, plant and equipment	(3,187)	10,395
Gain on disposal of investments	(8,269)	(9,903)
Net gain (loss) of financial assets at fair value through profit or loss	9,365	(804)
Gain from market value decline, obsolete and slow-moving of inventories	(2,133)	(7,985)
Share of profit or loss of associates and joint ventures	(3,907)	(15,136)
Expected credit profit	(307)	(564)
Gain on reversal of impairment loss	-	(4,560)
Other revenue	-	(29)
Interest income	(23,458)	(41,043)
Interest expense	5,534	4,215
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets at fair value through profit or loss	(120,343)	1,369
(Increase) decrease in accounts receivable	(184,867)	42,286
(Increase) decrease in inventories, net	(662,777)	47,858
Decrease in other receivables	5,319	6,444
Increase in prepayments	(2,178)	(5,888)
Increase in other current assets	(102,515)	(968)
Increase (decrease) in contract liabilities	67,269	(7,978)
Increase in notes payable	2,727	1,023
Increase (decrease) in accounts payable	482,139	(129,433)
Increase (decrease) in other payables	75,937	(67,715)
Increase in other current liabilities	690	448
Decrease in accrued pension liabilities	(8,564)	(8,992)
Cash generated from operations	971,506	995,288
Interest received	23,458	41,043
Income tax paid	(225,715)	(266,890)
Net cash provided by operating activities	769,249	769,441

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

(continued)

ZENG HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

	For the years ended 31 December	
	2020	2019
Cash flows from investing activities:		
Disposal of financial assets at fair value through other comprehensive income	17,180	19,466
Acquisition of investments accounted for under the equity method	-	(8,462)
Acquisition of property, plant and equipment	(335,919)	(549,905)
Proceeds from disposal of property, plant and equipment	8,254	16,550
Decrease in deposits-out	2,805	1,794
Acquisition of intangible assets	(5,255)	(12,503)
Increase in other non-current assets	(43,660)	(47,286)
Net cash used in investing activities	<u>(356,595)</u>	<u>(580,346)</u>
Cash flows from financing activities:		
Increase in short-term loans	2,984,917	1,444,936
Decrease in short-term loans	(2,785,917)	(1,374,936)
Increase in short-term notes and bills payable	360,000	190,000
Decrease in short-term notes and bills payable	(325,000)	(290,000)
Increase in long-term loans	288,000	-
Decrease in long-term loans	(41,159)	(40,000)
Lease principal repayment	(10,775)	(4,506)
Cash dividends	(532,714)	(665,892)
Interest paid	(5,534)	(4,215)
Cash dividends of subsidiary	(10,387)	(14,664)
Acquisition of ownership interests in subsidiary	(23,100)	-
Net cash used in financing activities	<u>(101,669)</u>	<u>(759,277)</u>
Effect of initial consolidation of subsidiaries	28,284	-
Effect of exchange rate changes on cash and cash equivalents	(38,803)	(25,096)
Net increase (decrease) in cash and cash equivalents	<u>300,466</u>	<u>(595,278)</u>
Cash and cash equivalents at beginning of period	<u>2,427,869</u>	<u>3,023,147</u>
Cash and cash equivalents at end of period	<u><u>\$2,728,335</u></u>	<u><u>\$2,427,869</u></u>

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

Independent Auditors' Report

To ZENG HSING INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of Zeng Hsing Industrial Co., Ltd. (the "Company") as of 31 December 2020 and 2019, and the parent company only statements of comprehensive income, the parent company only changes in equity and the parent company only cash flows for the years ended 31 December 2020 and 2019, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditor(s) (please refer to the Other Matter – Making Reference to the Audit of Component Auditor section of our report), the accompanying parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2020 and 2019, and the parent company only financial performance and the parent company only cash flows for the years ended 31 December 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 Parent Company Only 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor, 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 2020 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of accounts receivable

As of 31 December 2020, the Company's accounts receivable and allowance for doubtful accounts amounted to NTD 1,402,974 thousand and NTD 5,635 thousand, respectively. Net accounts receivable represented 19% of the parent company only total assets and have significant impacts on the Company. The collection of accounts receivable is a key factor in the working capital management of ZENG HSING INDUSTRIAL CO., LTD and the provision for allowance for doubtful accounts would reflect the credit risk of the Company. As the adequacy of provision policy requires significant management judgement, we therefore determined the issue as a key audit mater.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over assessment of client credit risk and accounts receivable collection management; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook; investigating accounts receivable details at end of the period, recalculating the reasonableness of loss allowance based on the expected credit loss ratio of each group; analyzing the receivable turnover to evaluate recoverability based on individual customers with significant sales amount; evaluating the reasonableness of the allowance for doubtful accounts based on individual customers with significant overdue accounts or longer aging, reviewing the collection in subsequent period.

In addition, we also considered the adequacy of the disclosures related to accounts receivable in Notes 5 and 6 to the parent company only financial statements.

Valuation for inventories (including investments accounted for under the equity method-inventory of subsidiaries)

As of 31 December 2020, inventories of the Company and the investees accounted for under the equity method that could have significant impacts on the financial statements. The Company starts manufacturing after receiving orders from customers, so we mainly assessed the allowance for inventory valuation losses for raw materials. Due to diversity of products and uncertainty arising from rapid changes in products, obsolete and slow-moving inventory valuation requires significant management judgement, we therefore determined the issue as a key audit mater.

Our audit procedures included, but not limited to, understanding and testing the operating effectiveness of internal controls around customer credit risk assessment and the management of collection of accounts receivable; sampling important storage locations to observe inventory counts; testing the correctness of the inventory aging schedule to make sure that the inventory aging schedule was appropriate. In addition, we also obtained the current year's reports on inventory movement and sample tested to check whether purchases and sales were supported by appropriate vouchers and to re-calculate the unit cost of inventories to evaluate the reasonableness of the net realizable value of inventory.

In addition, we also considered the adequacy of the disclosures related to inventory in Notes 5 and 6 to the parent company only financial statements.

Other Matter – Making Reference to the Audit of Component Auditor

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NTD 32,443 thousand and NTD 26,841 thousand, representing 0.45% and 0.42% of consolidated total assets as of 31 December 2020 and 2019, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NTD 5,602 thousand and NTD 22,281 thousand, representing 0.54% and 2.66% of the consolidated net income before tax for the years ended 31 December 2020 and 2019, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's 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 parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 2020 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Tu, Chin Yuan
Chen, Ming Hung
Ernst & Young, Taiwan
3 March 2021

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

Assets	Notes	As of	
		31 December 2020	31 December 2019
Current Assets			
Cash and cash equivalents	4, 6(1), 12	\$1,754,180	\$1,606,029
Financial assets at fair value through profit or loss, current		114,282	-
Accounts receivable, net	4, 6(2), 6(14), 12	1,127,951	930,855
Accounts receivable-related parties, net	4, 6(2), 6(14), 7, 12	269,388	143,473
Other receivables	12	4,542	11,112
Inventories, net	4, 6(3)	70,325	62,984
Prepayment		11,650	2,525
Other current assets		3,518	4,807
Total current assets		3,355,836	2,761,785
Non-current assets			
Financial assets measured at amortized cost, non-current	4, 8, 12	200	200
Investments accounted for under the equity method	4, 6(4)	2,978,306	2,817,547
Property, plant and equipment	4, 6(5), 8	722,445	622,386
Investment property	4, 6(6)	66,132	67,362
Intangible assets	4	24,825	27,624
Deferred tax assets	4, 6(19)	106,353	83,279
Other non-current assets	4, 6(7), 6(15), 12	7,135	18,083
Total non-current assets		3,905,396	3,636,481
Total assets		\$7,261,232	\$6,398,266

(The accompanying notes are an integral part of the parent company only financial statements)
(continued)

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As of	
		31 December 2020	31 December 2019
Current liabilities			
Short-term loans	4, 6(8), 12	\$490,000	\$290,000
Short-term notes and bills payable	4, 6(9), 12	35,000	-
Financial liabilities at fair value through profit or loss, current		4,081	777
Contract liabilities, current	6(13)	53,698	12,290
Notes payable	12	492	3,253
Accounts payable	12	219,928	111,947
Accounts payable-related parties	7, 12	519,004	586,956
Other payables	12	163,378	140,918
Current tax liabilities	4	112,504	89,164
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(10), 12	64,000	40,000
Other current liabilities	4, 6(15), 12	20,562	21,763
Total current liabilities		1,682,647	1,297,068
Non-current liabilities			
Long-term loans	4, 6(10), 12	304,000	80,000
Deferred tax liabilities	4, 6(19)	255,209	216,644
Accrued pension liabilities	4, 6(11)	35,522	40,455
Other non-current liabilities	4, 6(15), 12	1,020	2,265
Total non-current liabilities		595,751	339,364
Total liabilities		2,278,398	1,636,432
Equity attributable to the parent company	4, 6(12)		
Capital			
Common stock		605,356	605,356
Additional paid-in capital		1,393,097	1,385,352
Retained earnings			
Legal reserve		730,563	730,563
Special reserve		211,385	163,100
Retained earnings		2,337,924	2,088,848
Total Retained earnings		3,279,872	2,982,511
Other components of equity			
Exchange differences on translation of foreign operations		(295,491)	(216,223)
Unrealized gains and losses on equity instrument measured at fair value through other comprehensive income		-	4,838
Total equity		4,982,834	4,761,834
Total liabilities and equity		\$7,261,232	\$6,398,266

(The accompanying notes are an integral part of the parent company only financial statements)

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended 31 December 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended 31 December	
		2020	2019
Net Sales	4, 6(13), 7	\$6,197,136	\$5,415,138
Cost of Sales	6(3), 6(16), 7	(4,892,000)	(4,352,831)
Gross Profit		1,305,136	1,062,307
Unrealized Intercompany Profit	7	1,086	(406)
Realized Intercompany Profit		406	3,775
Gross Profit		1,306,628	1,065,676
Operating Expenses	6(15), 6(16), 7		
Selling and marketing		(103,666)	(98,713)
Management and administrative		(255,350)	(234,266)
Research and development		(108,110)	(105,013)
Expected credit gains	4, 6(14)	307	564
Total Operating Expenses		(466,819)	(437,428)
Operating Income		839,809	628,248
Non-operating income and expenses	6(17)		
Other income		33,212	42,010
Other gain and loss		(114,334)	(42,222)
Financial costs		(4,377)	(2,947)
Share of profit or loss of associates and joint ventures	4, 6(4)	283,317	212,612
Subtotal		197,818	209,453
Income before income tax		1,037,627	837,701
Income tax expense	4, 6(19)	(204,647)	(161,900)
Income, net of tax		832,980	675,801
Other comprehensive income	6(18), 6(19)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(3,631)	(2,849)
Share of profit of associates accounted for using equity method		-	1,382
Income tax related to items not reclassified subsequently to profit or loss		726	570
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(99,085)	(53,444)
Income tax related to items that may be reclassified subsequently to profit or loss		19,817	10,689
Total other comprehensive loss, net of tax		(82,173)	(43,652)
Total comprehensive income		\$750,807	\$632,149
Earnings per share (NTD)	6(20)		
Earnings per share-basic		\$13.76	\$11.16
Earnings per share-diluted		\$13.72	\$11.13

(The accompanying notes are an integral part of the parent company only financial statements)

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended 31 December 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Total Equity
Balance as of 1 January 2019	6(12)	\$605,356	\$1,385,352	\$730,563	\$176,886	\$2,067,432	\$(173,468)	\$10,368	\$4,802,489
Appropriations of earnings, 2018:									
Special reserve					(13,786)	13,786			-
Cash dividends						(665,892)			(665,892)
Net income for the year ended 31 December 2019						675,801			675,801
Other comprehensive income, net of tax for the year ended 31 December 2019						(2,279)	(42,755)	1,382	(43,652)
Total comprehensive income		-	-	-	-	673,522	(42,755)	1,382	632,149
Disposal of financial assets at fair value through other comprehensive income								(6,912)	(6,912)
Balance as of 31 December 2019	6(12)	\$605,356	\$1,385,352	\$730,563	\$163,100	\$2,088,848	\$(216,223)	\$4,838	\$4,761,834
Balance as of 1 January 2020	6(12)	\$605,356	\$1,385,352	\$730,563	\$163,100	\$2,088,848	\$(216,223)	\$4,838	\$4,761,834
Appropriations of earnings, 2019:									
Special reserve					48,285	(48,285)			-
Cash dividends						(532,714)			(532,714)
Net income for the year ended 31 December 2020						832,980			832,980
Other comprehensive income, net of tax for the years ended 31 December 2020						(2,905)	(79,268)		(82,173)
Total comprehensive income		-	-	-	-	830,075	(79,268)	-	750,807
From share of changes in equity of subsidiaries			7,745						7,745
Disposal of financial assets at fair value through other comprehensive								(4,838)	(4,838)
Balance as of 31 December 2020	6(12)	\$605,356	\$1,393,097	\$730,563	\$211,385	\$2,337,924	\$(295,491)	\$ -	\$4,982,834

(The accompanying notes are an integral part of the parent company only financial statements)

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

	For the Years Ended 31 December	
	2020	2019
Cash flows from operating activities:		
Net income before tax	\$1,037,627	\$837,701
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	51,789	32,086
Amortization	19,125	15,266
Gain (loss) on disposal of property, plant and equipment	(1,526)	6,901
Net gain (loss) of financial assets at fair value through profit or loss	9,365	(804)
Gain from market value decline, obsolete and slow-moving of inventories	(1,579)	(7,921)
Share of profit or loss of associates and joint ventures	(283,317)	(212,612)
Gain on reversal of impairment loss	-	(4,560)
Expected credit profit	(307)	(564)
Unrealized intercompany (loss) profit	(1,086)	406
Realized intercompany profit	(406)	(3,775)
Others revenue	-	(29)
Interest income	(11,732)	(22,702)
Interest expense	4,377	2,947
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets at fair value through profit or loss	(120,343)	1,369
(Increase) decrease in accounts receivable	(196,789)	34,244
(Increase) decrease in accounts receivable-related parties	(125,915)	33,760
(Increase) decrease in inventories, net	(5,762)	6,198
Decrease (increase) in other receivables	6,570	(4,947)
(Increase) decrease in prepayments	(9,125)	9,620
Decrease in other current assets	1,289	328
Increase in other non-current assets	(8,786)	(5,193)
Increase (Decrease) in contract liabilities	41,408	(6,421)
(Decrease) increase in notes payable	(2,761)	1,247
Increase (Decrease) in accounts payable	107,981	(15,868)
Decrease in accounts payable-related parties	(67,952)	(71,400)
Increase (Decrease) in other payables	22,460	(49,165)
(Decrease) increase in other current liabilities	(482)	6,165
Decrease in accrued pension liabilities	(8,564)	(8,992)
Cash generated from operations	455,559	573,285
Interest received	11,732	22,702
Income tax paid	(145,273)	(216,193)
Net cash provided by operating activities	322,018	379,794

(The accompanying notes are an integral part of the parent company only financial statements)

(Continued)

ZENG HSING INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended 31 December 2020 and 2019
(Expressed in Thousand New Taiwan Dollars)

	For the Years Ended 31 December	
	2020	2019
(Continued)		
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	(63,686)	-
Disposal of investments accounted for under the equity method	-	14,576
Acquisition of property, plant and equipment	(144,907)	(320,947)
Proceeds from disposal of property, plant and equipment	2,599	-
Decrease in deposits-out	2,164	224
Acquisition of intangible assets	(4,964)	(5,269)
Dividends received	91,558	232,820
Net cash used in investing activities	<u>(117,236)</u>	<u>(78,596)</u>
Cash flows from financing activities:		
Increase in short-term loans	2,910,000	1,390,000
Decrease in short-term loans	(2,710,000)	(1,320,000)
Increase in short-term notes and bills payable	360,000	190,000
Decrease in short-term notes and bills payable	(325,000)	(290,000)
Increase in long-term loans	288,000	-
Decrease in long-term loans	(40,000)	(40,000)
Lease principal repayment	(2,540)	(3,591)
Interest paid	(4,377)	(2,947)
Cash dividends	(532,714)	(665,892)
Net cash used in financing activities	<u>(56,631)</u>	<u>(742,430)</u>
Net increase (decrease) in cash and cash equivalents	148,151	(441,232)
Cash and cash equivalents at beginning of period	1,606,029	2,047,261
Cash and cash equivalents at end of period	<u>\$1,754,180</u>	<u>\$1,606,029</u>

(The accompanying notes are an integral part of the parent company only financial statements)

Attachment 7

Zeng Hsing Corporation
2020 Earnings Distribution Chart

Items	Amount	Remarks
Unappropriated Retain Earnings at beginning period	\$1,507,850,128	
Net income for 2020	832,980,423	
Minus:		
10% Legal reserve	0	
Special reserve	84,106,340	
Plus:		
Other comprehensive loss (remeasurements of the defined benefit plan in 2020)	(2,905,215)	
Distributable net profit	<u>2,253,818,996</u>	
Distribution Items:		
Cash Dividends to Common Share Holders	(575,088,495)	
Unappropriated Distribution at end of period	\$1,678,730,501	

Note:

Note 1: The undistributed profit for 2020 shall take priority when distributing profit.

Note 2: The cash dividend distributed less than NT\$1 shall be classified as "other non-operating income".

Note 3: The legal reserve accumulation has reached the amount of paid-in capital of the Company. Therefore, in accordance with Article 36 of the Articles of Incorporation, setting aside legal reserve is not required.

Chairman: Chih-Cheng Lin

Manager: Ming-Yu Tsai

Chief Accountant: Tzu-Ho Chuang

【Attachment8】

Zeng Hsing Corporation
Comparison Table for Rules for Shareholders' Meetings

Article	Original	Amendment	Amendment Reason
Article3	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new</p>	<p>Unless otherwise provided by law or regulation, the Company shareholders meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors or or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new</p>	<p>To comply with the amendment to laws and company practice</p>

Article	Original	Amendment	Amendment Reason
	<p>shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</p> <p>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.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to The Company 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. A shareholder may propose a recommendation for urging the corporation 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. 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. 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</p>	<p>shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, <u>Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering</u> and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</p> <p>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.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company 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. A shareholder may propose a recommendation for urging the corporation 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. 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</p>	

Article	Original	Amendment	Amendment Reason
	<p>electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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.</p> <p>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.</p>	<p><u>recommendation proposal to urge the Company to promote public interests or fulfill its social responsibilities, provided that the number of items proposed shall be limited to one item only 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.</u></p> <p>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.</p> <p>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.</p> <p>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.</p>	
Article 6	<p>(Preparation of documents such as the attendance book)</p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>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</p>	<p>(Preparation of documents such as the attendance book)</p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>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</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>of suitable personnel assigned to handle the registrations.</p> <p>Shareholders and their proxies (collectively, "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. The 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. 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.</p>	<p>of suitable personnel assigned to handle the registrations.</p> <p>Shareholders and their proxies (collectively, "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. The 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. 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.</p>	
Article 7	<p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p>	<p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>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.</p> <p>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, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</p> <p>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.</p> <p>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.</p>	
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. (The first paragraph omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. (Below omitted)</p>	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. (The first paragraph omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time, <u>and also announce related information such as the number of no voting right shares and the number of shares present at the meeting.</u></p> <p>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</p>	To comply with the amendment to laws

Article	Original	Amendment	Amendment Reason
		meeting adjourned. (Below omitted)	
Article 14	<p>The election of directors or supervisors 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 supervisors and the numbers of votes with which they were elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>The election of directors or supervisors 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 <u>and those who aren't elected as directors</u> supervisors and the numbers of votes with which they were or were not elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	To comply with the amendment to laws and company practices
Article 15	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.</p>	To comply with company practices

【 Attachment 9 】

Zeng Hsing Corporation
Comparison Table for Methods for the election of directors

Article	Original	Amendment	Amendment Reason
Name of method	Methods for the election of directors and supervisors	Methods for the election of directors and supervisors	To comply with company practice
Article 1	To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 22 and 44 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	To ensure a just, fair, and open election of directors and supervisors , these Procedures are adopted pursuant to Articles 22 and 44 ⁴⁴¹ of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	To comply with the amendment to laws
Article 2	Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.	Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.	To comply with company practice
Article 4	Supervisors of this Corporation shall meet the following qualifications: 1. Integrity and a practical attitude. 2. Impartial judgment. 3. Professional knowledge. 4. Broad experience. 5. Ability to read financial statements. In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional. Appointments of supervisors shall be made with reference to the provisions on independence contained in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, in order to select appropriate supervisors to help strengthen the corporation's risk management and control of finance and operations. At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director. A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.	Deleted	To comply with company practice

Article	Original	Amendment	Amendment Reason
Article 5	<p>The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The election of independent directors of this Corporation 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 shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</p>	<p>Article-5 4</p> <p>The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>The election of independent directors of this Corporation 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 shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</p>	To comply with the amendment to laws
Article 6	<p>Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation 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 Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the</p>	<p>Article 6 5</p> <p>Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected</p> <p>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation 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 Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>When the number of independent directors falls below that required under the proviso</p>	To comply with the amendment to laws

Article	Original	Amendment	Amendment Reason
	<p>Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, 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.</p> <p>When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors 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.</p>	<p>of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, 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.</p> <p>When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors 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.</p>	
Article 7	<p>The cumulative voting method shall be used for election of the directors and supervisors 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.</p>	<p>Article 7-6 The cumulative voting method shall be used for election of the directors and supervisors 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.</p>	To comply with company practice
Article 8	<p>The board of directors and supervisors shall prepare separate ballots for directors and supervisors 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.</p>	<p>Article 8-7 The board of directors and supervisors shall prepare separate ballots for directors and supervisors 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.</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
Article 9	In accordance with the company's articles of association, if two or more people have the same number of votes and exceed the prescribed numbers, the director will be determined by drawing from the person with the same number of votes. If they did not be present, the chairman will help them to draw .	Article 9 8 <u>The independent directors' and directors' election rights are calculated separately in accordance with the Company's Articles of Incorporation</u> If two or more people have the same number of votes and exceed the prescribed numbers, the director will be determined by drawing from the person with the same number of votes. If they did not be present, the chairman will help them to draw.	To comply with the amendment to laws
Article 10	Article omitted	Article 10 9 Article omitted	To comply with company practices
Article 11	If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	Deleted	To comply with the amendment to laws
Article 12	A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check	Article 10 12 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the right holder board of directors . 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a	To comply with the amendment to laws

Article	Original	Amendment	Amendment Reason
	<p>shows that the candidate's name and identity card number do not match.</p> <p>5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</p> <p>6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	<p>non shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</p> <p>5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</p> <p>6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	
Article 13	<p>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 or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Article 13 11</p> <p>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 or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>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. however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	To comply with company practices
Article 14	<p>The board of directors of the company will issue a notice of election to the elected directors and supervisors.</p>	<p>Article 14 12</p> <p>The board of directors of the company will issue a notice of election to the elected directors and supervisors.</p>	To comply with company practices
Article 15	Article omitted	<p>Article 15 13</p> <p>Article omitted</p>	To comply with company practices

Zeng Hsing Corporation
Comparison Table of the Amendment to Company Articles of Incorporation

Article	Original	Amendment	Amendment Reason
Name of the article	Directors and supervisors	Directors and supervisors	To comply with company practices
Article 8	The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law. The Company can also deliver shares by wiring into account books based on related regulations, rather printing physical shares. When issuing other securities, the same rule applies.	The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law. The Company can also deliver shares by wiring into account books based on related regulations, rather printing physical shares. When issuing other securities, the same rule applies.	To comply with the amendment to laws
Article 9	The shareholders of the Company handle the transfer of stock transfer and transfer of ownership, loss of inheritance gift and seal loss or change of address, etc., in addition to the provisions of the law and securities regulations, according to the public offering company's share treatment guidelines.	The shareholders of the Company handle the transfer of stock transfer and transfer of ownership, loss of inheritance gift and seal loss or change of address, etc., in addition to the provisions of the law and securities regulations, according to the public offering company's share treatment guidelines.	To comply with the amendment to laws
Article 10	Deleted	<u>The transfer of the Company's treasury stock to employees, the issuance of employee stock options, the new restricted employee shares, and new shares reserved for employee subscription by cash investment may include employees of affiliated companies who meet certain conditions. The conditions and the method of subscription are authorized by the board.</u>	To comply with company practices
Article 21	The Company shall have five (5) to eleven (11) directors and two (2) to three (3) supervisors to be elected at a shareholders' meeting through a nomination system from persons of legal capacity to serve a term of three years. A director may be re-elected. At least two (2) directors or one-fifth of all directors, whichever the higher number, shall be the independent directors. The qualification, shareholding percentage and the limitations of concurrently serving other positions, the methods of nomination and election and other related matters shall be	The Company shall have five (5) to eleven <u>thirteen (11)13</u> directors and two (2) to three (3) supervisors to be elected at a shareholders' meeting through a nomination system from persons of legal capacity to serve a term of three years. A director may be re-elected. At least two <u>three (2)3</u> directors or one-fifth of all directors, whichever the higher number, shall be the independent directors. The qualification, shareholding percentage and the limitations of concurrently serving other positions, the methods of nomination and election and other related	To comply with company practices

Article	Original	Amendment	Amendment Reason
	subject to the applicable laws.	matters shall be subject to the applicable laws.	
Article 23	When the supervisor's term ends and it is too late to re-elect, his or her term will be extended to perform his duties until the supervisor is re-elected.	When the supervisor's term ends and it is too late to re-elect, his or her term will be extended to perform his duties until the director supervisor is re-elected.	To comply with company practices
Article 28	The supervisor may attend the board meeting but not join the meeting in addition to performing his duties according to law.	The supervisor may attend the board meeting but not join the meeting in addition to performing his duties according to law. <u>The remuneration of the directors shall be determined in accordance with the contribution and their participation, and with reference to the usual standards of the Company with the same industry to authorize the board of directors. If the Company has surplus, it shall also distribute remuneration in accordance with the provisions of Article 36.</u>	To comply with company practices
Article 29	Remunerations for all directors and supervisors shall be decided by the Board of Directors authorized by a meeting of shareholders according to involvements and contributions to the Company's operation and at the normal rate adopted by other firms of the same industry.	Remunerations for all directors and supervisors shall be decided by the Board of Directors authorized by a meeting of shareholders according to involvements and contributions to the Company's operation and at the normal rate adopted by other firms of the same industry. The Company establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors. The audit committee shall be responsible for implementing the functions and powers of what are specified for supervisors in the Company Act, Securities and Exchange Act and other relevant laws.	To comply with company practices
Article 34	At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders: (1) Business report; (2) Financial Statements; (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and submit the same to the general shareholders meeting for acceptance.	At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing <u>in accordance with the procedure prescribed by law</u> not later than the 30th day prior to the meeting date of a general meeting of shareholders: (1) Business report; (2) Financial Statements; (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and submit the same to the general shareholders meeting for acceptance.	To comply with company practices
Article 35	The Company shall allocate 2% to 6% of	The Company shall allocate 2% to 6% of	To comply

Article	Original	Amendment	Amendment Reason
	<p>profit as employees' compensation and no more than 4% of profit as directors' and supervisor's compensation for each profitable fiscal year after offsetting any cumulative losses. The aforementioned employees' compensation will be distributed in shares or cash. The employees of the Company's subsidiaries who fulfill specific requirements stipulated by the Board of Directors may be granted such compensation. Directors may only receive compensation in cash.</p> <p>The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute the aforementioned employees' and director's compensation and report to the shareholders' meeting for such distribution. The procedures for the determination of directors and supervisors remuneration are based on the Company's "Evaluation Measures for the Performance of Directors, Supervisors and Managers".</p> <p>In addition to the overall operating performance of the company, the future operating risks and development trends of the industry, reference is also made to the individual performance achievement rate and contribution to company performance to determine reasonable compensation. The related performance appraisal and reasonableness of remuneration are reviewed by the remuneration committee and the board of directors, and the remuneration system is reviewed from time to time according to the actual operating conditions and relevant laws and regulations, to achieve balance between sustainable operations and risk control.</p>	<p>profit as employees' compensation and no more than 4% of profit as directors' and supervisor's compensation for each profitable fiscal year after offsetting any cumulative losses. The aforementioned employees' compensation will be distributed in shares or cash. The employees of the Company's subsidiaries who fulfill specific requirements stipulated by the Board of Directors may be granted such compensation. Directors may only receive compensation in cash.</p> <p>The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute the aforementioned employees' and director's compensation and report to the shareholders' meeting for such distribution. The procedures for the determination of directors and supervisors remuneration are based on the Company's "Evaluation Measures for the Performance of Directors, Supervisors and Managers".</p> <p>In addition to the overall operating performance of the company, the future operating risks and development trends of the industry, reference is also made to the individual performance achievement rate and contribution to company performance to determine reasonable compensation. The related performance appraisal and reasonableness of remuneration are reviewed by the remuneration committee and the board of directors, and the remuneration system is reviewed from time to time according to the actual operating conditions and relevant laws and regulations, to achieve balance between sustainable operations and risk control.</p>	with company practices
Article 39	<p>These Articles of Incorporation were enacted on Dec. 11, 1974</p> <p>.....</p> <p>Amended on Jun. 14, 2019 for the fortieth time.</p>	<p>These Articles of Incorporation were enacted on Dec. 11, 1974</p> <p>.....</p> <p>Amended on Jun. 14, 2019 for the fortieth time.</p> <p><u>Amended on Jun. 11, 2021 for the Forty-first time.</u></p>	Add amendment date

【Attachment 11】

Zeng Hsing Corporation
Amendments for Regulations Governing Loaning of Funds and Making
of Endorsements/Guarantees

Article	Original	Amendment	Amendment Reason
Article 5	<p>Hierarchy of decision-making authority and delegation thereof.</p> <p>1. The board of directors is the Company's fund lending and other people's approval resolutions. Any matters relating to the Company's fund lending and others shall not be approved by the board of directors. The loan of funds between the Company and its subsidiaries or subsidiaries shall be subject to the resolutions of the Board of Directors in accordance with the foregoing provisions, and may authorize the Chairman to allocate the same amount of credits and the resolutions of the board of directors within a certain period of not less than one year.</p> <p>The amount of the credits referred to in the preceding paragraph shall not exceed 10% of the net value of the latest financial statements of the Company, except for those that meet the requirements of Article 4, paragraph 3.</p> <p>2. The Company's endorsement guarantees should be approved by the board of directors. However, in order to meet the statute of limitations, the board of directors shall authorize the chairman to make a decision within 30% of the current period's net worth, and report to the board of directors for follow-up after the event, and report the relevant situation to the shareholders' meeting for future reference. However, the Company directly and indirectly holds more than 90% of the voting shares of the</p>	<p>Hierarchy of decision-making authority and delegation thereof.</p> <p>1. The board of directors is the Company's fund lending approval organization. Any matters relating to the Company's fund lending to others shall not be approved by organizations other than the Board of Directors. The loan of funds between the Company and its subsidiaries or subsidiaries shall be subject to the resolutions of the Board of Directors in accordance with the foregoing provisions, and may authorize the Chairman to allocate the same amount of credits and the resolutions of the board of directors within a certain period of not less than one year.</p> <p>The amount of the credits referred to in the preceding paragraph shall not exceed 10% of the net value of the latest financial statements of the Company, except for those that meet the requirements of paragraph 3, Article 4.</p> <p>2. The Company's endorsement guarantees should be approved by the board of directors. However, in order to meet the statute of limitations, the board of directors shall authorize the chairman to make a decision within 30% of the current period's net worth, and report to the board of directors for follow-up after the event, and report the relevant situation to the shareholders' meeting for future reference. However, the Company directly and indirectly holds more than 90% of the voting shares of the Company in accordance with the third</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>Company in accordance with the provisions of the third paragraph of Article 3, before the endorsement of the guarantee, and should be reported to the board of directors of the Company after the resolution with the exception when the Company directly and indirectly hold 100% of the inter-company endorsement guarantees of voting shares.</p> <p>When the company has set up independent directors, it should fully consider the opinions of the independent directors when it is a loan for funds or endorsement for others. If the independent directors have objections or reservations, they should be stated in the board meeting minutes.</p>	<p>paragraph of Article 3, before the endorsement of the guarantee, and should be reported to the board of directors of the Company after the resolution with the exception when the Company directly and indirectly hold 100% of the inter-company endorsement guarantees of voting shares.</p> <p>When the company has set up independent directors, When providing loan or endorsement for others, the opinions of the independent directors shall be fully considered. If the independent directors have objections or reservations, they should be stated in the board meeting minutes.</p>	
Article 8	<p>Operation control</p> <p>1. Loans to Others</p> <p>(1) When the Company applies for loans to others, the finance department shall complete the detailed examination of the borrower's purpose, guarantee terms and the impact on the Company's operational risks, financial status and shareholders' rights. After formulating the maximum loanable amount, time limit, interest-bearing method, or reaching the decision of not extending the loan, it will submit the report to the CEO for due diligence and appraisal, and after confirming the consent, the general manager and the chairman of the board of directors shall approve the agreement, before report it to the board of directors for approval.</p> <p>(2) Regarding the renewal case, in addition to the above-mentioned review and due diligence operations, the due diligence operation shall be conducted every six months or one year during the</p>	<p>Operation control</p> <p>1. Loans to Others</p> <p>(1) When the Company applies for loans to others, the finance department shall complete the detailed examination of the borrower's purpose, guarantee terms and the impact on the Company's operational risks, financial status and shareholders' rights. After formulating the maximum loanable amount, time limit, interest-bearing method, or reaching the decision of not extending the loan, it will submit the report to the CEO <u>strategy development unit</u>. for due diligence and appraisal, and after confirming the consent, the general manager and the chairman of the board of directors shall approve the agreement, before report it to the board of directors for approval.</p> <p>(2) Regarding the renewal case, in addition to the above-mentioned review and due diligence operations, the due diligence operation shall be conducted every</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>loan term, and the results of the due diligence shall be reported to the responsible department heads for approval according to the approval and reporting procedure.</p> <p>(3) The borrower shall provide a collateral of considerable value. The collateral may provide real estate, movable property or a certain number of deposit certificates (the number of which is subject to approval), but regardless the nature of the collateral provided, the amount of the collateral shall be the same as the liability. The guarantee note (whether the guarantee note is subject to other company or legal person endorsement depends on whether the approval conditions are required). The collateral must be valued by the legal staff of the Company. If the collateral is more than RMB 100 million, and if the collateral is real property and should be valued by an external professional appraisal unit, and regardless of whether the loan is finally extended, the appraisal fee will be borne by the borrower. After the completion of the evaluation of the collateral, the collateral must be entrusted by the financial department to a scrivener to handle the mortgage creation procedure or go to the bank for time deposit pledge work other related collateral preservation operations.</p> <p>(4) After the loan has been approved by the board of directors, the finance department shall sign the contract with the borrower within its function and responsibilities, and shall submit the application according to the regulations. After signing the contract, the finance department may consider the</p>	<p>six months or one year during the loan term, and the results of the due diligence shall be reported to the responsible department heads for approval according to the approval and reporting procedure.</p> <p>(3) The borrower shall provide a collateral of considerable value. The collateral may provide real estate, movable property or a certain number of deposit certificates (the number of which is subject to approval), but regardless the nature of the collateral provided, the amount of the collateral shall be the same as the liability. The guarantee note (whether the guarantee note is subject to other company or legal person endorsement depends on whether the approval conditions are required). The collateral must be valued by the legal staff of the Company. If the collateral is more than RMB 100 million, and if the collateral is real property and should be valued by an external professional appraisal unit, and regardless of whether the loan is finally extended, the appraisal fee will be borne by the borrower. After the completion of the evaluation of the collateral, the collateral must be entrusted by the financial department to a scrivener to handle the mortgage creation procedure or go to the bank for time deposit pledge work other related collateral preservation operations.</p> <p>(4) After the loan has been approved by the board of directors, the finance department shall sign the contract with the borrower within its function and responsibilities, and shall submit the application according to the regulations. After signing the contract, the finance</p>	

Article	Original	Amendment	Amendment Reason
	<p>borrower's capital requirements. The borrower may also repay the loan once or in multiples, but the loan balance shall not exceed the maximum amount of the repayment period approved by the board of directors.</p> <p>(5) The Company's maximum loan period is limited to one year, and the interest rate shall not be lower than the highest interest rate of the Company's short-term loans from financial institutions.</p> <p>(6) If the collateral arising from the loan is not land or securities, it shall be covered by fire insurance, and the Company shall be the beneficiary.</p> <p>(7) When the loan is due, the financial department shall notify the borrower to handle the repayment operation according to the contract. When the borrower has to cancel the collateral and pledge right after repaying the loan, the financial department shall handle the settlement and cancellation of the operation, and shall execute the cancellation after obtaining approval from the supervisor.</p> <p>(8) The loan operations should be recorded in the record book to state the borrower of the loan, the amount, the date of the board meeting approved the loan, the date the fund is drawn and the items that should be carefully evaluated in accordance with the first paragraph of the preceding article. The finance department shall designate staff responsible for keeping the record book.</p> <p>(9) After the loan is drawn, the financials, business and related credit status of the borrower and the guarantor should be constantly monitored. If there is any collateral,</p>	<p>department may consider the borrower's capital requirements. The borrower may also repay the loan once or in multiples, but the loan balance shall not exceed the maximum amount of the repayment period approved by the board of directors.</p> <p>(5) The Company's maximum loan period is limited to one year, and the interest rate shall not be lower than the highest interest rate of the Company's short-term loans from financial institutions.</p> <p>(6) If the collateral arising from the loan is not land or securities, it shall be covered by fire insurance, and the Company shall be the beneficiary.</p> <p>(7) When the loan is due, the financial department shall notify the borrower to handle the repayment operation according to the contract. When the borrower has to cancel the collateral and pledge right after repaying the loan, the financial department shall handle the settlement and cancellation of the operation, and shall execute the cancellation after obtaining approval from the supervisor.</p> <p>(8) The loan operations should be recorded in the record book to state the borrower of the loan, the amount, the date of the board meeting approved the loan, the date the fund is drawn and the items that should be carefully evaluated in accordance with the first paragraph of the preceding article. The finance department shall designate staff responsible for keeping the record book.</p> <p>(9) After the loan is drawn, the financials, business and related credit status of the borrower and the guarantor should be constantly</p>	

Article	Original	Amendment	Amendment Reason
	<p>attention should be paid to the change of the guarantee value. In case of major changes, the board should be notified immediately and take appropriate measures follow the instructions.</p> <p>(10) When the borrower repays the loan before the expiration of the loan, the interest payable shall be calculated first and repaid together with the principal before the promissory note and the borrowings can be cancelled and returned to the borrower or the mortgage can be withdrawn.</p> <p>(11) When the loan matures, the borrower shall pay off the principal and interest immediately. If the loan is not repaid and needs to be extended, the applicant must submit an application in advance and report it to the board of directors for approval. If the board of directors does not approve the extension, the borrower shall immediately pay off the principal and interest, otherwise the Company should collect the payments according to law.</p> <p>(12) If the company incurs any changes so the loan and the borrower do not meet the requirements of the operating procedures or the balance exceeds the limit, the improvement plan shall be formulated, and the relevant improvement plan shall be sent to the supervisors, and the improvement shall be completed according to the planning schedule and reported to the board of directors.</p> <p>2. Endorsement guarantees:</p> <p>(1) If the Company changes due to the circumstances, the endorsement guarantee object does not meet the requirements of the operating</p>	<p>monitored. If there is any collateral, attention should be paid to the change of the guarantee value. In case of major changes, the board should be notified immediately and take appropriate measures follow the instructions.</p> <p>(10) When the borrower repays the loan before the expiration of the loan, the interest payable shall be calculated first and repaid together with the principal before the promissory note and the borrowings can be cancelled and returned to the borrower or the mortgage can be withdrawn.</p> <p>(11) When the loan matures, the borrower shall pay off the principal and interest immediately. If the loan is not repaid and needs to be extended, the applicant must submit an application in advance and report it to the board of directors for approval. If the board of directors does not approve the extension, the borrower shall immediately pay off the principal and interest, otherwise the Company should collect the payments according to law.</p> <p>(12) If the Company incurs any changes so the loan and the borrower do not meet the requirements of the operating procedures or the balance exceeds the limit, the improvement plan shall be formulated, and the relevant improvement plan shall be sent to the <u>audit committee</u> supervisors, and the improvement shall be completed according to the planning schedule and reported to the board of directors.</p> <p>2. Endorsement guarantees:</p> <p>(1) If the Company changes due to the circumstances, the endorsement guarantee object does not meet the</p>	

Article	Original	Amendment	Amendment Reason
	<p>procedures, or the amount exceeds the limit, the improvement plan should be set, the relevant improvement plan should be sent to the supervisors, and the improvement and reporting should be completed according to the planning schedule. On the board of directors.</p> <p>(2) The Company's endorsement guarantees that due to business needs, and if it exceeds the amount specified in these Measures and meets the conditions stipulated in the present Measures, it shall be approved by the Board of Directors and more than half of the directors shall name the joint loss of the Company's losses. And amend these measures and report them to the shareholders' meeting for confirmation; when the shareholders' meeting disagrees, they should fix the plan to sell the overrun limit within a certain period of time. The Company has set up independent directors. In the discussion of the board of directors of the preceding paragraph, the opinions of the independent directors should be fully considered and the reasons for their express or dissenting opinions and objections should be included in the records of the board of directors.</p> <p>(3) If the endorsement guarantee object is a subsidiary whose net value is less than one-half of the paid-in capital, the relevant management and control measures shall be determined.</p> <p>(4) If the subsidiary's stock has no denomination or the denomination of each share is NT\$10, the amount of paid-in capital calculated in accordance with the provisions of</p>	<p>requirements of the operating procedures, or the amount exceeds the limit, the improvement plan should be set, the relevant improvement plan should be sent to the supervisors <u>audit committee</u>, and the improvement and reporting should be completed according to the planning schedule. On the board of directors.</p> <p>(2) The Company's endorsement guarantees that due to business needs, and if it exceeds the amount specified in these Measures and meets the conditions stipulated in the present Measures, it shall be approved by the Board of Directors and more than half of the directors shall name the joint loss of the Company's losses. And amend these measures and report them to the shareholders' meeting for confirmation; when the shareholders' meeting disagrees, they should fix the plan to sell the overrun limit within a certain period of time. The Company has set up independent directors. In the discussion of the board of directors of the preceding paragraph, the opinions of the independent directors should be fully considered and the reasons for their express or dissenting opinions and objections should be included in the records of the board of directors.</p> <p>(3) If the endorsement guarantee object is a subsidiary whose net value is less than one-half of the paid-in capital, the relevant management and control measures shall be determined.</p> <p>(4) If the subsidiary's stock has no denomination or the denomination of each share is NT\$10, the amount of paid-in capital calculated in</p>	

Article	Original	Amendment	Amendment Reason
	<p>the preceding (iii) shall be the sum of the capital reserve plus the issue premium.</p> <p>3. The internal auditors of the Company shall, at least quarterly, audit the funds and other people's and endorsements to ensure the operating procedures and their implementation, and make written records. If any major violations are found, they shall notify the supervisors in writing.</p>	<p>accordance with the provisions of the preceding (iii) shall be the sum of the capital reserve plus the issue premium.</p> <p>3. The internal auditors of the Company shall, at least quarterly, audit the funds and other people's and endorsements to ensure the operating procedures and their implementation, and make written records. If any major violations are found, they shall notify the <u>audit committee</u> supervisors in writing.</p>	
Article 10	<p>Procedures for controlling and managing the loan and endorsements/guarantees by subsidiaries.</p> <p>1. Where a subsidiary of the Company intends to making loans to and endorsements/guarantees for others, the Company shall instruct it to formulate its own the governing Procedures for Loaning of Company Funds and Making of Endorsements/Guarantees.</p> <p>2. Subsidiaries shall prepare a list of the previous month's loans to others or endorsements for others and submit them to the company before the 10th (excluding) day of each month.</p> <p>3. The company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees and the Operational Procedures for Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.</p> <p>4. When the audit personnel of the company check the subsidiaries according to the annual audit plan, they should also investigate how the subsidiaries endorse the operating procedures, loans and other people's operating procedures. If any deficiencies are found, they should</p>	<p>Procedures for controlling and managing the loan and endorsements/guarantees by subsidiaries.</p> <p>1. Where a subsidiary of the Company intends to making loans to and endorsements/guarantees for others, the Company shall instruct it to formulate its own the governing Procedures for Loaning of Company Funds and Making of Endorsements/Guarantees.</p> <p>2. Subsidiaries shall prepare a list of the previous month's loans to others or endorsements for others and submit them to the company before the 10th (excluding) day of each month.</p> <p>3. The company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees and the Operational Procedures for Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the audit committee</u> all the supervisors in writing of any material violation found.</p> <p>4. When the audit personnel of the company check the subsidiaries according to the annual audit plan, they should also investigate how the subsidiaries endorse the operating procedures, loans and other people's operating procedures. If any deficiencies are found, they should</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	continue to track the improvement and prepare a tracking report to the general manager.	continue to track the improvement and prepare a tracking report to the general manager.	
Article 12	<p>Implementation and revision The Procedures after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where the Company has established the position of independent director, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>Implementation and revision The Procedures after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. Where the Company has established the position of independent director, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p> <p><u>1. This procedure shall be implemented after approval by more than half of all members of the audit committee and the board of directors. If there is an objection from director and has a record in paper, the company shall submit the objection to the shareholders meeting for discussion, and the process applies for amendments.</u></p> <p><u>2. If the preceding paragraph has not been approved by more than one-half of all members of the audit committee, and more than two-thirds of all directors shall be stated in the minutes of the board of directors.</u></p> <p><u>3. All members of the audit committee and directors mentioned in the preceding paragraph shall be based on those actually presented.</u></p>	To comply with company practices

【Attachment 12】

Zeng Hsing Corporation Amendment of Regulations Governing the Acquisition and Disposal of Assets by Public Companies

Article	Original	Amendment	Amendment Reason
Article 8	<p>Procedure for acquiring or disposing real estate property or equipment.</p> <p>1. Appraisal and operational procedure The Company's acquisition or disposal of real estate property or equipment shall comply with the Company's internal control system and fixed asset rules.</p> <p>2. Trade terms and conditions and credit limit decision-making procedure</p> <p>(1) To obtain or dispose of immovable property, reference shall be made to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, etc., and the transaction conditions and transaction price shall be determined, and an analysis report shall be submitted to the chairman of the board, and the amount shall be less than NT\$10,000 (inclusive). It should be submitted to the chairman of the board for approval. The amount of NT\$10 million (inclusive) or above should be reported in the latest board meeting after the event; if it exceeds NT\$10 million, it must be approved by the board of directors. It.</p> <p>(2) The acquisition or disposition of other fixed assets shall be made by way of inquiry, price comparison, bargaining or bidding. If the amount is less than NT\$10,000 (inclusive), it shall be approved step by step according to the authorization method; Those who have received 10,000 yuan should be submitted to the general manager for approval and must be approved by the board of directors.</p>	<p>Procedure for acquiring or disposing real estate property or equipment.</p> <p>1. Appraisal and operational procedure The Company's acquisition or disposal of real estate property or equipment shall comply with the Company's internal control system and fixed asset <u>real property, plant and equipment</u> rules.</p> <p>2. Trade terms and conditions and credit limit decision-making procedure</p> <p>(1) To obtain or dispose of immovable property, reference shall be made to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, etc., and the transaction conditions and transaction price shall be determined, and an analysis report shall be submitted to the chairman of the board, and the amount shall be less than NT\$10,000 (inclusive). It should be submitted to the chairman of the board for approval. The amount of NT\$10 million (inclusive) or above should be reported in the latest board meeting after the event; if it exceeds NT\$10 million, it must be approved by the board of directors. It.</p> <p>(2) The acquisition or disposition of other fixed assets shall be made by way of inquiry, price comparison, bargaining or bidding. If the amount is less than NT\$10,000 (inclusive), it shall be approved step by step according to the authorization method; Those who have received 10,000 yuan should</p>	To comply with company practice

Article	Original	Amendment	Amendment Reason
	<p>3. Execution unit When the Company obtains or disposes of real property or other fixed assets, it shall be executed by the user department and the management department after the verification of the authority of the previous paragraph is submitted.</p> <p>4. Appraisal report for real estate property or other fixed assets In acquiring or disposing of real property or equipment, thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; Those who change the trading conditions in the future should also follow the above procedures.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be</p>	<p>be submitted to <u>chairman</u> the general manager for approval and must be approved by the board of directors.</p> <p>3. Execution unit When the Company obtains or disposes of real property or other fixed assets, it shall be executed by the user department and the management department after the verification of the authority of the previous paragraph is submitted.</p> <p>4. Appraisal report for real estate property or other fixed assets In acquiring or disposing of real property or equipment, thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; Those who change the trading conditions in the future should also follow the above procedures.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect</p>	

Article	Original	Amendment	Amendment Reason
	<p>disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
Article 9	<p>Procedure for acquiring or disposing securities</p> <ol style="list-style-type: none"> 1. The purchase and sale of the company's long-term and short-term securities are handled in accordance with the 	<p>Procedure for acquiring or disposing securities</p> <ol style="list-style-type: none"> 1. The purchase and sale of the company's long-term and short-term securities are handled in accordance 	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>company's internal control system.</p> <p>2. Trade terms and conditions and credit limit decision-making procedure</p> <p>(1) The trading of securities in the centralized trading market or the securities firm's business premises shall be decided by the responsible unit according to the market conditions. The amount of the securities below NT\$30 million (inclusive) shall be approved by the chairman and the latest boarding meeting held afterwards. The board of directors will file a report and submit a report on the analysis of the unrealized interest or loss of long-term and short-term securities; if the amount exceeds NT\$30 million, it must be approved by the board of directors.</p> <p>(2) Not for the trading of securities in the centralized trading market or the securities firm's business premises, in the case of lower investment risk, such as government bonds, treasury bonds, guaranteed corporate bonds, bond funds, etc., the amount of individual financial assets invested in a single investment. In the case of NT\$100 million (including), the chairman of the board of directors approves and submits the report in the latest board meeting afterwards. At the same time, it also submits analytical reports of the long-term and short-term securities that have unrealized profit or loss; the amount of individual financial assets invested in a single investment. If the amount exceeds NT\$100 million, it must be approved by the board of directors.</p> <p>(3) For long-term investment in securities trading, the company should first obtain the financial statements of the company with the most recent account audit or review</p>	<p>with the company's internal control system.</p> <p>2. Trade terms and conditions and credit limit decision-making procedure</p> <p>(1) The trading of securities in the centralized trading market or the securities firm's business premises shall be decided by the responsible unit according to the market conditions. The amount of the securities below NT\$30 million (inclusive) shall be approved by the chairman and the latest boarding meeting held afterwards. The board of directors will file a report and submit a report on the analysis of the unrealized interest or loss of long-term and short-term securities; if the amount exceeds NT\$30 million, it must be approved by the board of directors.</p> <p>(2) Not for the trading of securities in the centralized trading market or the securities firm's business premises, <u>if the risk is high, it will be in accordance with preceding guideline</u> in the case of lower investment risk, such as government bonds, treasury bonds, guaranteed corporate bonds, bond funds, etc., the amount of individual financial assets invested in a single investment. In the case of NT\$100 million (including), the chairman of the board of directors approves and submits the report in the latest board meeting afterwards. At the same time, it also submits analytical reports of the long-term and short-term securities that have unrealized profit or loss; the amount of individual financial assets invested in a single investment. If the amount exceeds NT\$100 million, it must be approved by the board of directors.</p> <p>(3) For long-term investment in</p>	

Article	Original	Amendment	Amendment Reason
	<p>as the reference for evaluating the transaction price, taking into account its net value per share, profitability and future development potential, to be approved by the chairman and will be reported in the latest board meeting after the event, and present the analytical reports of the long-term and short-term securities that have unrealized profit or loss at the same time.</p> <p>3. Execution unit When the company invests in long-term and short-term securities, it shall be executed by the accounting unit after it has been submitted for verification according to the pre-existing authority.</p> <p>4. Obtain an accountant's opinion A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the Financial Supervisory Commission (FSC).</p>	<p>securities trading, the company should first obtain the financial statements of the company with the most recent account audit or review as the reference for evaluating the transaction price, taking into account its net value per share, profitability and future development potential, to be approved by the chairman and will be reported in the latest board meeting after the event, and present the analytical reports of the long-term and short-term securities that have unrealized profit or loss at the same time.</p> <p>3. Execution unit When the company invests in long-term and short-term securities, it shall be executed by the accounting unit after it has been submitted for verification according to the pre-existing authority.</p> <p>4. Obtain an accountant's opinion A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of</p>	

Article	Original	Amendment	Amendment Reason
		securities that have an active market, or where otherwise provided by the Financial Supervisory Commission (FSC).	
Article 10	<p>Procedures of Related Party Transactions</p> <p>1. The Company and its related parties obtain or dispose of assets. Except for the handling of the Article 8 processing procedures and the relevant resolution procedures and the assessment of the reasonableness of the trading conditions, the transaction amount shall be more than 10% of the company's total assets. The valuation report or accountant's opinion issued by the professional valuer shall also be obtained in accordance with Article 8. The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with one of the provisions of Article 11. In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>2. Procedures of Assessment and operation When a public company intends to acquire or dispose of real property or thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors: (1) The purpose, necessity and</p>	<p>Procedures of Related Party Transactions</p> <p>1. The Company and its related parties obtain or dispose of assets. Except for the handling of the Article 8 processing procedures and the relevant resolution procedures and the assessment of the reasonableness of the trading conditions, the transaction amount shall be more than 10% of the company's total assets. The valuation report or accountant's opinion issued by the professional valuer shall also be obtained in accordance with Article 8. The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with one of the provisions of Article 11. In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p> <p>2. Procedures of Assessment and operation When a public company intends to acquire or dispose of real property or thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>anticipated benefit of the acquisition or disposal of real estate</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 3 paragraph 1 to 4 and 6.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 15, paragraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries ,the company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 2 delegate the</p>	<p>have been approved by the board of directors and recognized by the supervisors <u>audit committee</u>:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of real estate</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 3 paragraph 1 to 4 and 6.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 15, paragraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by <u>the audit committee</u> supervisors need not be counted</p>	

Article	Original	Amendment	Amendment Reason
	<p>board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>3. Rationality of transaction costs</p> <p>(1) A public company that acquires real property thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value 	<p>toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries ,the company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>3. Rationality of transaction costs</p> <p>(1) A public company that acquires real property thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 	

Article	Original	Amendment	Amendment Reason
	<p>of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(2) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3) A public company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(4) When the Company obtains the real property from the related party in accordance with paragraph 1 and paragraph 2 of the Article 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 3 paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(A) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related</p>	<p>2. 2.Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(2) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(3) A public company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(4) When the Company obtains the real property from the related party in accordance with paragraph 1 and paragraph 2 of the Article 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 3 paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this</p>	

Article	Original	Amendment	Amendment Reason
	<p>party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(B) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. For other non-relevant lease cases within one year of the same floor of the same subject, the transaction conditions shall be estimated based on the reasonable floor price difference according to the real estate leasing practice.</p> <p>Where a public company acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued</p>	<p>restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(A) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(B) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. For other non-relevant lease cases within one year of the same floor of the same subject, the transaction conditions shall be estimated based on the reasonable floor price difference according to the real estate</p>	

Article	Original	Amendment	Amendment Reason
	<p>parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>(5) Where a public company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance 	<p>leasing practice.</p> <p>Where a public company acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p>(5) Where a public company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus 	

Article	Original	Amendment	Amendment Reason
	<p>with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(6) The company obtains real estate from related parties. In any of the following circumstances, it shall be handled in accordance with the provisions of the first and second items of this Article. The assessment requirements for the reasonableness of transaction costs in paragraphs (1), (2) and (3) of Article 3 of this Article are not applicable:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. 	<p>shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. Supervisors <u>Independent director of audit committee</u> shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</p> <p>3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(6) The company obtains real estate from related parties. In any of the</p>	

Article	Original	Amendment	Amendment Reason
	<p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</p> <p>(7) When a public company obtains real property from a related party, it shall also comply with the Article3 paragraphs (5) if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	<p>following circumstances, it shall be handled in accordance with the provisions of the first and second items of this Article. The assessment requirements for the reasonableness of transaction costs in paragraphs (1), (2) and (3) of Article 3 of this Article are not applicable:</p> <ol style="list-style-type: none"> 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. <p>(7) When a public company obtains real property from a related party, it shall also comply with the Article3 paragraphs (5) if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	
Article 11	<p>Procedures for Acquisition or Disposal of Memberships or Intangible Assets</p> <ol style="list-style-type: none"> 1. Appraisal and Operating Procedures Acquisition or disposal of memberships or intangible assets by the Company shall follow the fixed assets cycle under the Company's internal control system. 2. Decision procedure for trading conditions and authorization amount If the company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any directors 	<p>Procedures for Acquisition or Disposal of Memberships or Intangible Assets</p> <ol style="list-style-type: none"> 1. Appraisal and Operating Procedures Acquisition or disposal of memberships or intangible assets by the Company shall follow the fixed-asset <u>real property, plant and equipment</u> cycle under the Company's internal control system. 2. Decision procedure for trading conditions and authorization amount If the company obtains or disposes of the assets according to the prescribed processing procedures or other legal 	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>express objection and have a record or written statement, the company shall send the directors' dissent materials to the supervisors. In addition, if the company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors.</p> <p>3. Division Responsible for Implementation The division responsible for implementation of acquisition or disposal of real property and equipment in the Company is the User Department and related authorized divisions.</p> <p>4. Member card or intangible asset expert assessment report Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>provisions, it shall be approved by the board of directors. If any directors express objection and have a record or written statement, the company shall send the directors' dissent materials to the supervisors. In addition, if the company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of director membership certificates or intangible assets. It should be refer to expert evaluation reports or fair value of market prices, we will determine transaction conditions and transaction prices, then prepare an analysis report to the chairman. If the amount less than 20% (inclusive) of the company's capital. It shall be submitted to the chairman for approval. If it exceeds 20% of the company's capital, it shall be submitted to the chairman for approval and also approved by the board of directors.</p> <p>3. Division Responsible for Implementation The division responsible for implementation of acquisition or disposal of real property and equipment in the Company is the User Department and related authorized divisions.</p> <p>4. Member card or intangible asset expert assessment report Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with government agency, the company shall engage a certified</p>	

Article	Original	Amendment	Amendment Reason
		public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	
Article 11-1	The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein for line 5 Z, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	To comply with company practices
Article 13	<p>Procedures for Acquisition or Disposal of Derivatives products</p> <p>1. Trading principles and guidelines</p> <p>(1) Type of transaction</p> <p>A. Derivative financial products engaged by the company refer to transaction contracts whose value is derived from commodities such as assets, interest rates, exchange rates, indices or other interests (such as forward contracts, options, futures, interest rates or exchange rates, exchanges, and the above commodities combined composite contract, etc.)</p> <p>B. Matters relating to bond margin transactions shall be handled in accordance with the relevant provisions of this procedure. The trading of bonds with repurchase conditions does not apply to the provisions of this procedure.</p> <p>(2) Management (hedging) strategy The Company engages in derivative financial products trading, and should aim at hedging. The trading commodities should be selected to avoid the risks arising from the business operations of the company.</p>	<p>Procedures for Acquisition or Disposal of Derivatives products</p> <p>1. Trading principles and guidelines</p> <p>(1) Type of transaction</p> <p>A. Derivative financial products engaged by the company refer to transaction contracts whose value is derived from commodities such as assets, interest rates, exchange rates, indices or other interests (such as forward contracts, options, futures, interest rates or exchange rates, exchanges, and the above commodities combined composite contract, etc.)</p> <p>B. Matters relating to bond margin transactions shall be handled in accordance with the relevant provisions of this procedure. The trading of bonds with repurchase conditions does not apply to the provisions of this procedure.</p> <p>(2) Management (hedging) strategy The Company engages in derivative financial products trading, and</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>The currency held must match the foreign currency demand of the company's actual import and export transactions. The company's overall internal positions (referring to foreign currency income and expenses) are self-financing, thereby reducing the company's overall foreign exchange risk and saving foreign exchange operating costs. Other specific use transactions must be carefully evaluated and submitted to the Board for approval before proceeding.</p> <p>(3) Division of powers and responsibilities</p> <p>1. financial department</p> <p>(A) Trader</p> <p>a. Responsible for the formulation of the company's financial commodity trading strategy.</p> <p>b. Traders should regularly calculate the position every two weeks, collect market information, conduct trend determination and risk assessments, and formulate operational strategies. After obtaining approval by the approval authority, they should be used as the basis for trading.</p> <p>c. The transaction is executed in accordance with the authorization authority and the established strategy.</p> <p>d. When there is a major change in the financial market and the trader judges that the established strategy is not applicable, the assessment report is</p>	<p>should aim at hedging. The trading commodities should be selected to avoid the risks arising from the business operations of the company. The currency held must match the foreign currency demand of the company's actual import and export transactions. The company's overall internal positions (referring to foreign currency income and expenses) are self-financing, thereby reducing the company's overall foreign exchange risk and saving foreign exchange operating costs. Other specific use transactions must be carefully evaluated and submitted to the Board for approval before proceeding.</p> <p>(3) Division of powers and responsibilities</p> <p>1. financial department</p> <p>(A) Trader</p> <p>a. Responsible for the formulation of the company's financial commodity trading strategy.</p> <p>b. Traders should regularly calculate the position every two weeks, collect market information, conduct trend determination and risk assessments, and formulate operational strategies. After obtaining approval by the approval authority, they should be used as the basis for trading.</p> <p>c. The transaction is executed in accordance with the authorization authority and the established strategy.</p> <p>d. When there is a major</p>	

Article	Original	Amendment	Amendment Reason
	<p>submitted at any time, and the strategy is re-planned. After approval by the general manager, it is used as the basis for trading.</p> <p>(B) Accountant</p> <ol style="list-style-type: none"> a. Execute the transaction. b. Review whether the transaction is based on authorization rights and established policies. c. The evaluation is carried out monthly and the evaluation report is presented to the general manager. d. Accounting and accounting processing. e. Declaration and announcement in accordance with the regulations of the Financial Supervisory Commission of the Executive Yuan. <p>(C) Settlement staff: to perform settlement</p> <p>(D) Derivative commodity authorization</p> <ol style="list-style-type: none"> a. The approval authority of the hedging transaction for the hedging transaction must be approved by the chairman of the board of directors and submitted to the board meeting that immediately follows the transaction. b. Specific-purpose transactions can be carried out after being submitted to the Board of Directors for approval. c. If the Company obtains or disposes of the assets according to the 	<p>change in the financial market and the trader judges that the established strategy is not applicable, the assessment report is submitted at any time, and the strategy is re-planned. After approval by the general manager, it is used as the basis for trading.</p> <p>(B) Accountant</p> <ol style="list-style-type: none"> a. Execute the transaction. b. Review whether the transaction is based on authorization rights and established policies. c. The evaluation is carried out monthly and the evaluation report is presented to the general manager. d. Accounting and accounting processing. e. Declaration and announcement in accordance with the regulations of the Financial Supervisory Commission of the Executive Yuan. <p>(C) Settlement staff: to perform settlement</p> <p>(D) Derivative commodity authorization</p> <ol style="list-style-type: none"> a. The approval authority of the hedging transaction for the hedging transaction must be approved by the chairman of the board of directors and submitted to the board meeting that immediately follows the transaction. b. Specific-purpose 	

Article	Original	Amendment	Amendment Reason
	<p>prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any directors express objection and have a record or written statement, the company shall send the directors' dissent materials to the supervisors. In addition, if the company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors.</p> <p>(4) Performance evaluation 1. Hedging transaction (A) The performance is evaluated based on the profit and loss generated between the carrying value of the exchange rate cost of the company and the derivatives transactions it undertakes. (B) In order to fully disclose the evaluation risk of the transaction, the Company evaluates the profit and loss by the monthly evaluation method. (C) The financial department shall provide foreign exchange position evaluation and foreign exchange market trends and market analysis to the management for reference.</p>	<p>transactions can be carried out after being submitted to the Board of Directors for approval.</p> <p>c. If the Company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any directors express objection and have a record or written statement, the company shall send the directors' dissent materials to the supervisors. In addition, if the company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors.</p> <p>(4) Performance evaluation 1. Hedging transaction (A) The performance is evaluated based on the profit and loss generated between the carrying value of the exchange rate cost of the company and the derivatives transactions it undertakes. (B) In order to fully disclose the evaluation risk of the transaction, the Company evaluates the profit and loss</p>	

Article	Original	Amendment	Amendment Reason
	<p>2. Specific transaction The actual profit and loss is used as the performance evaluation basis, and the accounting staff must regularly report the positions to management for reference.</p> <p>(5) Total contract amount and maximum loss limit</p> <p>1. Total contract</p> <p>(A) Hedging limit The finance department should master the overall position of the company to avoid trading risks. The amount of hedging transactions shall not exceed two-thirds of the company's overall net position, if exceeding two-thirds of the total, it should be reported to the general manager for approval.</p> <p>(B) Specific transaction Based on the projected market changes, the finance department may formulate strategies according to demands and report it to the general manager and the chairman of the board for approval. The Company's specific-purpose transactions are subject to a total contractual amount of the company's net accumulative position, which is limited to US\$ 3,000,000. If the amount exceeds the above amount, it must be approved by the board of directors, and it can be obtained according to the policy directive.</p> <p>2. Setting of the upper limit of loss</p> <p>(A) Hedging transaction avoids risks. The individual contract loss limit is 50% of the</p>	<p>by the monthly evaluation method.</p> <p>(C) The financial department shall provide foreign exchange position evaluation and foreign exchange market trends and market analysis to the management for reference.</p> <p>2. Specific transaction The actual profit and loss is used as the performance evaluation basis, and the accounting staff must regularly report the positions to management for reference.</p> <p>(5) Total contract amount and maximum loss limit</p> <p>1. Total contract</p> <p>(A) Hedging limit The finance department should master the overall position of the company to avoid trading risks. The amount of hedging transactions shall not exceed two-thirds of the company's overall net position, if exceeding two-thirds of the total, it should be reported to the general manager for approval.</p> <p>(B) Specific transaction Based on the projected market changes, the finance department may formulate strategies according to demands and report it to the general manager and the chairman of the board for approval. The Company's specific-purpose transactions are subject to a total contractual amount of the company's net</p>	

Article	Original	Amendment	Amendment Reason
	<p>individual contract amount; the total contract loss limit is 50% of the total contract amount.</p> <p>(B) For a special purpose transaction contract, after the position is established, a stop loss point should be set to prevent excess losses. The stop loss point is set at a limit of 15% of the transaction contract amount, and the amount of the individual contract loss is the lower of not more than US\$100 million or 15% of the transaction contract amount. The maximum annual loss for the company's specific purpose of trading operations is US\$ 300,000. If the amount of the loss exceeds 10% of the transaction amount, it shall be reported to the general manager immediately and to the board of directors to discuss the responsive measures.</p> <p>2. Risk management measures</p> <p>(1) Credit risk management: Changes due to various factors in the market are prone to cause operational risks of derivatives products. Therefore, market risk management shall be handled according to the following principles:</p> <ol style="list-style-type: none"> 1. Counterparties: shall be mainly well known domestic and foreign financial institutions. 2. Trading commodity: It is limited to the products provided by well-known domestic and foreign financial institutions. 3. Amount of the transaction: The transaction amount that is not offset of the same transaction 	<p>accumulative position, which is limited to US\$ 3,000,000. If the amount exceeds the above amount, it must be approved by the board of directors, and it can be obtained according to the policy directive.</p> <p>2. Setting of the upper limit of loss</p> <p>(A) Hedging transaction avoids risks. The individual contract loss limit is 50% of the individual contract amount; the total contract loss limit is 50% of the total contract amount.</p> <p>(B) For a special purpose transaction contract, after the position is established, a stop loss point should be set to prevent excess losses. The stop loss point is set at a limit of 15% of the transaction contract amount, and the amount of the individual contract loss is the lower of not more than US\$100 million or 15% of the transaction contract amount. The maximum annual loss for the company's specific purpose of trading operations is US\$ 300,000. If the amount of the loss exceeds 10% of the transaction amount, it shall be reported to the general manager immediately and to the board of directors to discuss the responsive measures.</p> <p>2. Risk management measures</p> <p>(1) Credit risk management: Changes due to various factors in the market are prone to cause</p>	

Article	Original	Amendment	Amendment Reason
	<p>counterparty shall not exceed 10% of the total authorized amount, unless approved by the general manager.</p> <p>(2) Market risk management: The Company mainly trade in the foreign exchange market provided by banks, the futures market will not be considered for the time being.</p> <p>(3) Liquidity risk management: In order to ensure market liquidity, financial products with higher liquidity are preferred when making selections, and financial institutions engaged to make transactions must have sufficient information and the ability to conduct transactions in the market at any time.</p> <p>(4) Cash flow risk management To ensure the stability of the Company's operating capital, the Company engages in derivatives products transactions limited to its own funds, and its operation should consider the funding needs of future cash payment forecast.</p> <p>(5) Operational risk management</p> <ol style="list-style-type: none"> 1. The Company's authorization quota and operating procedures shall be include in the internal audits to avoid operational risks. 2. Traders engaged in derivatives products and operators such as confirmation and settlement shall not concurrently serve these positions. 3. The risk measurement, supervision and control personnel shall be in different departments from the preceding paragraph, and shall report to the board of directors or senior executives who are not responsible for the decision-making of the transactions or positions. 4. Derivatives position held should 	<p>operational risks of derivatives products. Therefore, market risk management shall be handled according to the following principles:</p> <ol style="list-style-type: none"> 1. Counterparties: shall be mainly well known domestic and foreign financial institutions. 2. Trading commodity: It is limited to the products provided by well-known domestic and foreign financial institutions. 3. Amount of the transaction: The transaction amount that is not offset of the same transaction counterparty shall not exceed 10% of the total authorized amount, unless approved by the chairman general manager. <p>(2) Market risk management: The Company mainly trade in the foreign exchange market provided by banks, the futures market will not be considered for the time being.</p> <p>(3) Liquidity risk management: In order to ensure market liquidity, financial products with higher liquidity are preferred when making selections, and financial institutions engaged to make transactions must have sufficient information and the ability to conduct transactions in the market at any time.</p> <p>(4) Cash flow risk management To ensure the stability of the Company's operating capital, the Company engages in derivatives products transactions limited to its own funds, and its operation should consider the funding needs of future cash payment forecast.</p> <p>(5) Operational risk management</p> <ol style="list-style-type: none"> 1. The Company's authorization quota and operating procedures shall be include in 	

Article	Original	Amendment	Amendment Reason
	<p>be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.</p> <p>(6) Commodity risk management Internal traders should have comprehensive and accurate professional knowledge of financial products, and banks are required to fully disclose risks to avoid mishandling of financial products.</p> <p>(7) Legal risk management: Documents to be signed with financial institutions should be formally reviewed by professionals of foreign exchange and legal affairs or legal counsel before they can be formally entered into to avoid legal risks.</p> <p>3. Internal audit system</p> <p>(1) Internal auditors should regularly verify the appropriateness of the internal control of derivatives transactions, and check the compliance of the trading department regarding the transaction procedures for derivatives transactions and analyze the trading cycle on a monthly basis to make an audit report. If major violations are found, the supervisor shall be notified in writing and report to the board of directors.</p> <p>(2) The internal auditor shall file the audit report and the annual audit of the internal audit work to the FSC by the end of February of the following year, and report the improvement of the abnormal matters to the FSC by the end of May of the following year.</p> <p>4. Regular assessment</p> <p>(1) The board of directors shall</p>	<p>the internal audits to avoid operational risks.</p> <p>2. Traders engaged in derivatives products and operators such as confirmation and settlement shall not concurrently serve these positions.</p> <p>3. The risk measurement, supervision and control personnel shall be in different departments from the preceding paragraph, and shall report to the board of directors or senior executives who are not responsible for the decision-making of the transactions or positions.</p> <p>4. Derivatives position held should be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.</p> <p>(6) Commodity risk management Internal traders should have comprehensive and accurate professional knowledge of financial products, and banks are required to fully disclose risks to avoid <u>underestimating</u> mishandling of financial products.</p> <p>(7) Legal risk management: Documents to be signed with financial institutions should be formally reviewed by professionals of foreign exchange <u>or</u> and legal affairs or, legal counsel before they can be formally entered into to avoid legal risks.</p> <p>3. Internal audit system</p> <p>(1) Internal auditors should regularly verify the appropriateness of the</p>	

Article	Original	Amendment	Amendment Reason
	<p>authorize the senior executives to regularly supervise and evaluate whether the derivatives transactions are actually handled in accordance with the Company's trading procedures, and whether the risks assumed are within the scope allowed and the market price assessment report is immediately reported to the board of directors in the event of any abnormal occurrences (such as position held exceeded limit) and appropriate measures are taken.</p> <p>(2) Derivatives position held should be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.</p> <p>5. The supervision and management principles of the board of directors when engaging in derivatives transactions</p> <p>(1) The board of directors shall appoint high-level supervisors to monitor the supervision and control of the risk of derivatives trading at any time. The management principles are as follows:</p> <ol style="list-style-type: none"> 1. Regularly assess whether the current risk management measures are appropriate and handled in accordance with the principle and the company's procedures when dealing with derivatives products. 2. Supervise the transaction and the gain/loss status, if any abnormality is found, necessary countermeasures shall be taken and immediately report the occurrence to the board of directors. If the company has set up independent directors, the 	<p>internal control of derivatives transactions, and check the compliance of the trading department regarding the transaction procedures for derivatives transactions and analyze the trading cycle on a monthly basis to make an audit report. If major violations are found, <u>the audit committee supervisor</u> shall be notified in writing and report to the board of directors.</p> <p>(2) The internal auditor shall file the audit report and the annual audit of the internal audit work to the FSC by the end of February of the following year, and report the improvement of the abnormal matters to the FSC by the end of May of the following year.</p> <p>4. Regular assessment</p> <p>(1) The board of directors shall authorize the senior executives to regularly supervise and evaluate whether the derivatives transactions are actually handled in accordance with the Company's trading procedures, and whether the risks assumed are within the scope allowed and the market price assessment report is immediately reported to the board of directors in the event of any abnormal occurrences (such as position held exceeded limit) and appropriate measures are taken.</p> <p>(2) Derivatives position held should be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.</p> <p>5. The supervision and management</p>	

Article	Original	Amendment	Amendment Reason
	<p>independent directors shall attend the board meeting to express their opinions.</p> <p>(2) Regularly assess whether the performance of the derivatives transactions meets the standards established in the business strategy and whether the risks assumed are within the Company's permissible scope.</p> <p>(3) When the Company engages in derivatives trading, if the transactions are undertaken by persons authorized according to the derivatives product transactions procedures, such occurrence shall be reported to the most recent board meeting.</p> <p>(4) When the Company engages in derivatives transactions, it shall establish a checklist to state the type and amount of the derivatives transactions, the date the board approves the proposal, and items that should be carefully assessed required by Paragraphs 4-2, 5-1 and 5-2 of the Article herein.</p>	<p>principles of the board of directors when engaging in derivatives transactions</p> <p>(1) The board of directors shall appoint high-level supervisors to monitor the supervision and control of the risk of derivatives trading at any time. The management principles are as follows:</p> <ol style="list-style-type: none"> 1. Regularly assess whether the current risk management measures are appropriate and handled in accordance with the principle and the company's procedures when dealing with derivatives products. 2. Supervise the transaction and the gain/loss status, if any abnormality is found, necessary countermeasures shall be taken and immediately report the occurrence to the board of directors <u>with independent directors' attendance.</u> If the company has set up independent directors, the independent directors shall attend the board meeting to express their opinions. <p>(2) Regularly assess whether the performance of the derivatives transactions meets the standards established in the business strategy and whether the risks assumed are within the Company's permissible scope.</p> <p>(3) When the Company engages in derivatives trading, if the transactions are undertaken by persons authorized according to the derivatives product transactions procedures, such occurrence shall be reported to the most recent board meeting.</p> <p>(4) When the Company engages in derivatives transactions, it shall</p>	

Article	Original	Amendment	Amendment Reason
		<p>establish a checklist to state the type and amount of the derivatives transactions, the date the board approves the proposal, and items that should be carefully assessed required by Paragraphs 4-2, 5-1 and 5-2 of the Article herein.</p>	
Article 14	<p>Procedures for mergers, divisions, acquisitions or share transfers</p> <ol style="list-style-type: none"> 1. Assessment and operation procedures 2. Other precautions <p>(5) When a company that participates in a merger, division, acquisition or transfer of shares is subject to change: Any party that participates in a merger, division, acquisition or transfer of shares may, after disclosure of information, intend to merge, divide, acquire or otherwise merge with other companies. The transfer of shares, except for the decrease in the number of participating households, and the shareholders' meeting has resolved and authorized the board of directors to change the authority, the participation in the company is exempted from convening the shareholders' meeting to re-issue the resolution, the original merger, division, acquisition or share transfer case has been completed The procedures or legal acts should be followed by all participating companies.</p> <p>(6) If the company participating in the merger, division, acquisition or share transfer has a non-public offering company, the company shall sign an agreement with it and convene the date of the board of directors and the second paragraph (2) in accordance with paragraph (1) of this article. Paragraph (5) shall be dealt with in accordance with the</p>	<p>Procedures for mergers, divisions, acquisitions or share transfers</p> <ol style="list-style-type: none"> 1. Assessment and operation procedures 2. Other precautions <p>(5) When a company that participates in a merger, division, acquisition or transfer of shares is subject to change: Any party that participates in a merger, division, acquisition or transfer of shares may, after disclosure of information, intend to merge, divide, acquire or otherwise merge with other companies. The transfer of shares, except for the decrease in the number of participating households, and the shareholders' meeting has resolved and authorized the board of directors to change the authority, the participation in the company is exempted from convening the shareholders' meeting to re-issue the resolution, the original merger, division, acquisition or share transfer case has been completed The procedures or legal acts should be followed by all participating companies.</p> <p>(6) If the company participating in the merger, division, acquisition or share transfer has a non-public offering company, the company shall sign an agreement with it and convene the date of the board of directors and the second paragraph (2) in accordance with paragraph (1) of this article.</p>	Word revised

Article	Original	Amendment	Amendment Reason
	provisions of the merger, division, acquisition or transfer of shares of the company.	Paragraph (5) shall be dealt with in accordance with the provisions of the merger, division, acquisition or transfer of shares of the company.	
Article 15	<p>Information disclosure procedure</p> <p>1. The project should be announced and the reporting standard should be announced.</p> <p>(1) Obtain or dispose of immovable property from the related party, or acquire or dispose of other assets other than the real property with the related person and the transaction amount shall reach 20% of the company's paid-in capital, 10% of the total assets or NT\$300 million. However, the sale and purchase of public debt, the purchase of bonds, the sale of bonds, the purchase or purchase of money market funds issued by domestic securities investment trusts are not limited.</p> <p>(2) Consolidation, division, acquisition or share transfer.</p> <p>(3) The amount of all or individual contractual losses specified in the processing procedures for the loss of derivative goods transactions.</p> <p>(4) The types of assets acquired or disposed of are equipment for business use, and the transaction objects are not related parties, and the transaction amount is one of the following:</p> <p>1. The amount of paid-up capital is less than NT\$10 billion in public offering companies, and the transaction amount is NT\$500 million.</p> <p>2. The publicly-issued company with a paid-in capital of NT\$10 billion or more has a transaction amount of NT\$1 billion or more.</p> <p>(5) The company is expected to invest NT\$500 million in real estate by means of local construction, land lease construction, joint housing</p>	<p>Information disclosure procedure</p> <p>1. The project should be announced and the reporting standard should be announced.</p> <p>(1) Obtain or dispose of immovable property from the related party, or acquire or dispose of other assets other than the real property with the related person and the transaction amount shall reach 20% of the company's paid-in capital, 10% of the total assets or NT\$300 million. However, the sale and purchase of public debt, the purchase of bonds, the sale of bonds, the purchase or purchase of money market funds issued by domestic securities investment trusts are not limited.</p> <p>(2) Consolidation, division, acquisition or share transfer.</p> <p>(3) The amount of all or individual contractual losses specified in the processing procedures for the loss of derivative goods transactions.</p> <p>(4) The types of assets acquired or disposed of are equipment for business use, and the transaction objects are not related parties, and the transaction amount is one of the following:</p> <p>1. The amount of paid-up capital is less than NT\$10 billion in public offering companies, and the transaction amount is NT\$500 million.</p> <p>2. The publicly-issued company with a paid-in capital of NT\$10 billion or more has a transaction amount of NT\$1 billion or more.</p> <p>(5) The company is expected to invest NT\$500 million in real estate by</p>	To comply with company practices

Article	Original	Amendment	Amendment Reason
	<p>construction, joint construction, and joint construction.</p> <p>(6) In addition to the first five paragraphs of asset transactions, financial institutions to dispose of creditor's rights or engage in mainland investment, the transaction amount of the company's paid-in capital of 20% or NT\$300 million. However, the following situations are not limited to this:</p> <ol style="list-style-type: none"> 1. Buying and selling public debt. 2. Buying and selling bonds with buy back, selling back conditions, buying or buying back money market funds issued by domestic securities investment trusts. <p>The calculation of the aforementioned transaction amount is as follows, and the alleged one year is based on the date on which the fact of the transaction occurred, and is retroactively calculated for one year.</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The amount of transactions acquired or dispositioned by the same counterpart in the same nature within one year. 3. The amount of the same development plan real estate accumulated or acquired (accumulated and disbursed separately) within one year. 4. The amount of the same marketable securities accumulated or disbursed (acquired and disbursed separately) within one year. 	<p>means of local construction, land lease construction, joint housing construction, joint construction, and joint construction.</p> <p>(6) In addition to the first five paragraphs of asset transactions, financial institutions to dispose of creditor's rights or engage in mainland investment, the transaction amount of the company's paid-in capital of 20% or NT\$300 million. However, the following situations are not limited to this:</p> <ol style="list-style-type: none"> 1. Buying and selling public debt. 2. Buying and selling bonds with buy back, selling back conditions, buying or buying back money market funds issued by domestic securities investment trusts. <p>(7) The calculation of the aforementioned transaction amount is as follows, and the alleged one year is based on the date on which the fact of the transaction occurred, and is retroactively calculated for one year.</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. The amount of transactions acquired or dispositioned by the same counterpart in the same nature within one year. 3. The amount of the same development plan real estate accumulated or acquired (accumulated and disbursed separately) within one year. 4. The amount of the same marketable securities accumulated or disbursed (acquired and disbursed separately) within one year. 	
Article 18	Implementation and revision	Implementation and revision	To comply

Article	Original	Amendment	Amendment Reason
	<p>The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor <u>the audit committee</u>, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. <u>When discussing with the audit committee in accordance with the preceding paragraph, if the majority of the members in audit committee do not approve, the approval of more than two-thirds of all directors shall be adopted, and the resolutions of the audit committee shall be recorded for the board of directors. All members of the audit committee referred to the preceding paragraph and all directors referred to shall be calculated based on actual persons presented.</u></p>	<p>with company practices</p>

【Attachment 13】

ZENG HSING INDUSTRIAL CO., LTD
Candidate information for 2021 director

Type	Name	Education	experience	position	Number of shares held
Directors	Chih-Cheng Lin	In-service Master degree of senior manager-Business leader team	General Manager of the Company	Chairman of Zhangjiagang Zenghsing Trading Co., Ltd. [Zhangjiagang trading] Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd. [Cheau Hsing] Director of ZENG HSING INDUSTRIAL CO., LTD. (BVI) Chairman of Zeng Hsing Industrial Co., Ltd. Chairman of Shinco Technologies Limited (VN) [Shinco (VN)] Chairman of Mitsumichi Industrial Co., Ltd. [Mitsumichi] Chairman of Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd Chairman and CEO of ZENG HSING INDUSTRIAL CO., LTD	937,000
Directors	Chong-Ting Tsai	Master of Business Administration, California State University San Bernardino Branch School	Manager of the company's marketing planning center	Director of Canxin Investment Co., Ltd. Business and sales Vice General Manager of ZENG HSING INDUSTRIAL CO., LTD	988,888
Directors	Feng-Tzu Li	Anli Elementary School	Supervisor of the company	Director of Xie-Feng Aluminum Co., Ltd. Chairman of Chua-Chen Machinery Co. Ltd. Director of ZENG HSING INDUSTRIAL CO., LTD	944,628
Directors	Shu-Cheng Liao	Chin-Yi University of Technology, major in electronics	Supervisor of the company	Chairman & President of Long-Huan Co., Ltd. Chairman of Sheng-Hong investment Co., Ltd. Director of ZENG HSING INDUSTRIAL CO., LTD	876,610

Directors	Jui-I Hung	Master degree in electronic and management in Chin-Yi University	Supervisor of the company	Director of CHIUAN HUANG LTD. Director of ZENG HSING INDUSTRIAL CO., LTD	1,945,760
Directors	Meng-Tsong Ho	Major in Indoor Design of Ming-Der Senior High School	General Management Office Manager of Changqing Enterprise Co., Ltd. In China	Supervisor of ZENG HSING INDUSTRIAL CO., LTD Chairman & President of MAGIC OUTDOOR INTERNATIONAL LIMITED	1,065,673
Directors	Po-Sung Chang	Management Master's degree, Feng Chia University	Managers of other business development centers, new business development, project managers of the executive director's office	Supervisor of ZENG HSING INDUSTRIAL CO., LTD Chairman of TAIWAN CHEER CHAMP CO., LTD.	200,984

Candidate information for 2021 independent director

Type	Name	Education	experience	position	Number of shares held
Independent directors	Chih-Sheng Wu	Mater degree of management in National Chiao Tung University	Vice President of The Shanghai Banking Corporation Limited (Hong Kong)	Vice Chairman of Turvo international Co., Ltd. Director of Chu-Lin investment Co., Ltd. Director of Matec Southeast Asia (Thailand)Co., Ltd. Independent director and Remuneration Committee of ZENG HSING INDUSTRIAL CO., LTD	0
Independent directors	Ming-Liang Tang	Master degree of accounting in National Cheng Kung University	Manager in Ernst & Young CEO of Dongguan Rongtai Plastic Material Co., Ltd. Accountant and partner of Sunshine Accounting Firm	Accountant and partner of Sunshine Accounting Firm Independent director/ Member of Audit Committee/Member of Remuneration Committee of LUNG PIEN VACUUM INDUSTRY CO., LTD. Independent director/ Member of Audit Committee/Member of Remuneration Committee of LAGIS ENTERPRISE CO., LTD Independent director/ Member of Remuneration Committee of ZENG HSING INDUSTRIAL CO., LTD	0
Independent directors	Chun-Ming Hsu	Syracuse U. (Ph.D)- Finance (Doctor in Institute of Finance a)	Associate Professor and Director for Business Administration Department in Tunghai University Department head of the Department of Finance in Tunghai University	Professor, Department of Finance, Chung Hsing University Independent director of Calin Technology Co., Ltd. Independent director/ Member of Remuneration Committee of ZENG HSING INDUSTRIAL CO., LTD	0

Appendix 1

Articles of Incorporation of Zeng Hsing Corporation

Section I	General Provisions
Article 1	The Company shall be incorporated as a company limited by shares under the Company Act and its name shall be "Zeng Hsing Corporation."
Article 2	The scope of business of the Company shall be as follow: <ol style="list-style-type: none">1. CBO1010 Machinery and Equipment Manufacturing2. CB01990Other machinery manufacturing3. CC01030 electrical and audio-visual electronic products manufacturing4. CD01050 bicycle and its parts manufacturing5. CH01010 Sporting Goods Manufacturing6. CQ01010 Mold Manufacturing7. C805990 Other plastic products manufacturing8. F401010 International Trade9. ZZ99999 In addition to the licensing business, it is a business that is not prohibited or restricted by the business law.
Article 3	The Company may act as a guarantor.
Article 4	The Company may reinvest in other company as necessary, and may be a limited liability shareholder of another company through the resolution of the board of directors. The total investment shall not be subject to the restrictions on the amount of investment transferred under Article 13 of the Company Act.
Article 5	The Company shall have its head office in TAICHUNG and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.
Article 6	Deleted
Section II	Shares
Article 7	The total capital amount of the Company shall be NT\$850 million accounting for 85 million shares, at a par value of Dollars (NT\$10) per share. The Board of Directors is authorized to issue the unissued shares in installments. Among them, 5 million shares of the reserved share certificate are attached to the special stock option or the shareholding company bond is used for exercise of the stock option.
Article 8	The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law. The Company can also deliver shares by wiring into account books based on related regulations, rather printing physical shares. When issuing other securities, the same rule applies.
Article 9	The shareholders of the Company handle the transfer of stock transfer and transfer of ownership, loss of inheritance gift and seal loss or change of address, etc., in addition to the provisions of the law and securities regulations, according to the public offering company's share treatment guidelines.
Article 10	Deleted
Article 11	Deleted

- Article 12 Deleted
- Article 13 Registration for transfer of shares shall all be suspended 60 days before the convocation of any ordinary shareholders' meeting, 30 days before the convocation of extraordinary shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.
- Section III Shareholders' Meeting
- Article 14 Shareholders' meeting shall be of two types, namely general and extraordinary shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year and the latter shall be convened in accordance with laws whenever necessary.
- Article 15 The convening of shareholders shall be announced in accordance with the Company Act, Securities and Exchange Act and the relevant laws and regulations promulgated by competent securities authorities.
- Article 16 In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf.
- Article 17 When the shareholders meeting is held, the chairman of the board of directors is the chairman: when the chairman is absent, the chairman of the board of directors appoints a director; if not appointed, the directors may elect one chair from among themselves.
- Article 18 Unless otherwise provided in the laws, a shareholder of the Company shall have one vote for each share held by him or her.
- Article 19 Unless otherwise provided in the Company Act, Securities and Exchange Act or other laws, resolution(s) shall be made at the meeting attended by shareholders holding and representing a majority of the total number of issued and outstanding shares and at which meeting a majority of the shareholders shall vote in favor of the resolution.
- Article 20 The shareholders' resolutions shall contain detailed information, signed by the chairman, and announced within 20 days after the meeting. The proceedings of the proceedings in the shareholder's signature book and the proxy letter of attendance are kept in the Company.
- Section IV Directors and Supervisors
- Article 21 The Company shall have five (5) to ten (10) directors and two (2) to three (3) supervisors to be elected at a shareholders' meeting through a nomination system from persons of legal capacity to serve a term of three years. A director may be re-elected. At least two (2) directors or one-fifth of all directors, whichever the higher number, shall be the independent directors. The qualification, shareholding percentage and the limitations of concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.
- Article 22 When the director's vacancy exceeds one-third, the temporary shareholders' meeting shall be convened within 60 days to fill the term of the term to cover the original term.
- Article 23 When the supervisor's term ends and it is too late to re-elect, his or her term will be extended to perform his duties until the supervisor is re-elected.

- Article 24 The Board of Directors shall be organized by directors. The chairman of the board shall be elected by the majority of directors present at a meeting attended by more than two thirds of directors. The directors may also elect a vice chairman of the board whenever they may deem necessary to carry out the Company's activities. The chairman of the board shall externally represent the Company and conduct activities on behalf of the Company pursuant to relevant laws, the Company's Articles of Incorporation and resolutions of the shareholders' and board meeting.
- Article 25 In case the chairman of the Board of Directors is on leave or unable to perform his duties for cause, the vice chairman of the Board of Directors, if any, shall act as the chairman. If there is no vice chairman of the board or the vice chairman of the board is also on leave or unable to perform his duties for cause, the chairman of the board shall designate a director to act as the chairman. If there is no such designation, the directors shall elect one from amongst themselves.
- Article 26 In case a board member is unable to attend the Board of Directors' meeting, he/she may issue proxy setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for another board member to present on his/her behalf. The representative shall serve as the proxy for one director only. Other than what is demanded by the Company Act, Securities and Exchange Act or other laws, the resolution of the board of directors shall be adopted by a majority of the directors present at the meeting attended by more than half of the directors.
- Article 27 The deliberations of the board of directors shall be recorded as a deliberation, with detailed information, signed or sealed by the chairman, and distributed to the directors within 20 days after the meeting. The proceedings shall be accompanied by the signature book of the directors and the proxy letter of appointment shall be kept in the Company
- Article 28 The supervisor may attend the board meeting but not join the meeting in addition to performing his duties according to law.
- Article 29 Remunerations for all directors and supervisors shall be decided by the Board of Directors authorized by a meeting of shareholders according to involvements and contributions to the Company's operation and at the normal rate adopted by other firms of the same industry.
- Section V Managers
- Article 30 The Company has one general manager and its appointment and dismissal is decided by the Board of Directors. The general manager accepts the order of the chairman and handles all business of the Company.
- Article 31 In addition to the competent authority or the statute, the general manager may hire a consultant as required by the business and report to the board of directors for verification.
- Article 32 Deleted
- Section VI Accounting
- Article 33 The Company's fiscal year starts from January 1 to December 31 of each year.
- Article 34 The Board of Directors shall prepare at the close of each accounting fiscal year for the Company (1) Business Report, (2) Financial Statements, (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and submit the same to the general shareholders meeting for acceptance.

- Article 35 The Company shall allocate 2% to 6% of profit as employees' compensation and no more than 4% of profit as directors' compensation for each profitable fiscal year after offsetting any cumulative losses. The aforementioned employees' compensation will be distributed in shares or cash. The employees of the Company's subsidiaries who fulfill specific requirements stipulated by the Board of Directors may be granted such compensation. Directors may only receive compensation in cash.
- The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute the aforementioned employees' and director's compensation and report to the shareholders' meeting for such distribution. The procedures for the determination of directors and supervisors remuneration are based on the Company's "Evaluation Measures for the Performance of Directors, Supervisors and Managers". In addition to the overall operating performance of the company, the future operating risks and development trends of the industry, reference is also made to the individual performance achievement rate and contribution to company performance to determine reasonable compensation. The related performance appraisal and reasonableness of remuneration are reviewed by the remuneration committee and the board of directors, and the remuneration system is reviewed from time to time according to the actual operating conditions and relevant laws and regulations, to achieve balance between sustainable operations and risk control.
- Article 36 If the Company has a surplus every year, in addition to the tax paid according to the law, it should first make up for the loss in previous years, and the next 10% is the statutory surplus reserve, but the statutory surplus accumulation has reached the paid-up capital of the company. The statutory surplus reserve shall not be included; and the special surplus reserve shall be paid or renewed in accordance with the regulations of the competent authority. After the accumulated undistributed surplus is added to the balance, the resolution of the chairman of the board of directors is distributed by the shareholders' meeting.
- The company is a traditional industry, the Company is mature, profitable and financial structure is sound, so the surplus distribution, in addition to the Company law and the company's articles of association, will regard the company's capital planning and operating results, determine the annual dividend distribution. However, the principle of dividend stability and balance is adopted in principle. Before the annual shareholders' meeting, the board of directors formulates the method of surplus distribution based on the financial situation, but at least 50% of the shareholders' dividends are paid. The cash dividend ratio is not less than 30% of the total dividend. However, the Company shall not distribute dividends if there is no surplus earning.
- Section VII Additional Rules
- Article 37 The organization by-law of the Company shall be provided otherwise.
- Article 37-1 If the Company plans to withdraw the public issuance, it should report it to the shareholders' meeting
- Article 38 In regard to all matters not provided for in these Articles of Incorporation, the Company Act, Securities and Exchange Act or other laws shall govern.

Article 39 These Articles of Incorporation were enacted on Dec. 11, 1974
Amended on Dec. 20, 1976 for the first time
Amended on Sep. 27, 1977 for the second time
Amended on Jun. 20, 1978 for the third time
Amended on Jan. 10, 1981 for the fourth time
Amended on Nov. 2, 1981 for the fifth time
Amended on Sep. 14, 1982 for the sixth time
Amended on Sep. 5, 1983 for the seventh time
Amended on Oct. 21, 1983 for the eighth time
Amended on Jan. 5, 1984 for the ninth time
Amended on Jul. 16, 1985 for the tenth time
Amended on Oct 8, 1988 for the eleventh time
Amended on May. 25, 1989 for the twelfth time
Amended on Feb. 2, 1990 for the thirteenth time
Amended on Nov. 15, 1991 for the fourteenth time
Amended on Jan. 6, 1993 for the fifteenth time
Amended on Jun. 25, 1994 for the sixteenth time,
Amended on Dec 3, 1994 for the seventeenth time
Amended on May. 10, 1995 for the eighteenth time
Amended on Jul.9,1997 for the nineteenth time
Amended on Jun.10, 1998 for the twentieth time
Amended on Jun. 16, 1999 for the twenty-first time
Amended on Jun. 28, 2002 for the twenty-second time
Amended on Jun.10, 2003 for the twenty-third time
Amended on Jun.10, 2003 for twenty-fourth time
Amended on Jun. 29, 2004 for twenty-fifth time
Amended on Jun. 29, 2004 for twenty-sixth time
Amended on Jun. 30, 2005 for the twenty-seventh time
Amended on June. 14, 2006 for the twenty-eighth time
Amended on Mar. 9, 2007 for the twenty-ninth time
Amended on Jun. 13, 2007 for the thirtieth time
Amended on Jun. 13, 2008 for the thirty-first time
Amended on Jun. 19, 2009 for the thirty-second time
Amended on Jun. 15, 2011 for the thirty-third time
Amended on Jun. 27, 2012 for the thirty-fourth time
Amended on Jun. 11, 2013 for the thirty-fifth time
Amended on Jun. 20, 2014 for the thirty-sixth time
Amended on Jun. 15, 2016 for the thirty-seventh time.
Amended on Jun. 14, 2017 for the thirty- eighth time.
Amended on Jun. 13, 2018 for the thirty- ninth time
Amended on Jun. 14, 2019 for the fortieth time.

Zeng Hsing Corporation
Chairman: Chih-Cheng Lin

Appendix 2

Zeng Hsing Corporation Rules for Shareholders' Meetings (Before Amendment)

Article 1 The Company has established a good shareholder governance system, improved supervision functions and strengthened management functions, and has established the rules in accordance with Article 5 of the Code of Practice for Corporate Governance of Listed Companies.

Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Corporate Charter, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the extraordinary shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the Corporate Charter, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. A shareholder who holds more than 1% of the issued shares are entitled to submit a limit of one motion to a regular shareholders' meeting in writing, pursuant to Article 172-1 of the Company Act.

The Company shall announce the acceptance of the shareholders' proposal, the acceptance of the premises and the acceptance period before the suspension of the stock transfer before the shareholders' meeting. The period of acceptance shall not be less than ten days.

Shareholders' proposal is limited to three hundred words. Those who exceed 300 words will not be included in the proposal; the proposing shareholders shall attend the shareholders' meeting in person or in person and participate in the discussion of the proposal.

The Company shall notify the proponents of the results of the processing before the date of the notice of the meeting of the shareholders' meeting, and the proposal stipulated in this article shall be included in the notice of the meeting. For shareholders' proposals not included in the proposal, the board of directors shall explain the reasons for not included in the shareholders' meeting.

Article 4 Entrusted to attend the shareholder authorization:

Shareholders may, at each shareholder meeting, issue a letter of appointment issued by the Company, register the scope of authorization, entrust an agent, attend the shareholders' meeting.

The shareholder shall issue a power of attorney and have entrusted one person to the extent that it shall be delivered to the Company five days before the meeting of the shareholders. If the power of attorney is repeated, the first person to serve shall prevail. However, the statement is revoked before the commissioner, no longer this limit.

After the power of attorney has been delivered to the Company, the shareholders wishing to attend the shareholders' meeting in person, or wish to exercise their voting rights in writing or electronically, shall notify the Company in writing of the cancellation of the entrustment in writing two days before the meeting of the Shareholders' Meeting; The voting right to attend the trip shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 The Company shall furnish the shareholders meeting notice with the time and venue for signing in. The aforementioned time for signing in shall be at least 30 minutes before the shareholder meeting starts. There shall be signs to direct shareholders to proceed to the venue for signing in and personnel who are suitable in charge. The Company shall prepare an attendance book for the shareholders or the proxies appointed by other shareholders (hereafter referred to as the shareholders) attending the meeting to sign in, or have the attending shareholders turn in the attendance card to replace the signature. Shareholders shall attend a shareholders' meeting by presenting their attendance identification, attendance card or other attendance documents. This Corporation 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. The company shall set up a signature book to attend the signing of the shareholders, or the attending shareholders shall pay the signing card to sign on behalf of the shareholders. The company shall deliver the proceedings, annual reports, attendance certificates, speeches, votes and other meeting materials to the shareholders attending the shareholders' meeting; if there are

election directors or supervisors, they shall attach a ballot paper. When a government or legal person is a shareholder, the representative of the attending shareholders is not limited to one person. When a legal person is entrusted to attend a shareholder meeting, only one representative must be appointed to attend.

Article 7 If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board of directors. If the chairman of the board of directors asks for leave or fails to exercise his powers for any reason, the chairman of the board of directors shall appoint one person to act; The chairman of the preceding paragraph is a director of the board of directors, who is employed by the Company for more than six months and who understands the Company's business conditions. If the chairman is a representative of a legal director, the same is true. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If the shareholders' meeting is convened by other convener parties other than the board of directors, the chairman shall be the convener, and if there are more than two convener holders, one person shall be pushed each other. The company may assign lawyers, accountants or related personnel appointed to attend the shareholders' meeting.

Article 8 The Company shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Shareholders' attendance shall be based on shares. The number of attendances is calculated based on the signature book or the signed card. If the attending shareholders represent a majority of the total number of issued shares, the chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 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 chairperson shall declare the meeting adjourned.

Article 10 If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors. The meeting shall be conducted according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting. If the shareholders' meeting is convened by other parties other than the board of directors, the provisions of the preceding paragraph shall apply. Before the agenda of the first two agendas (including the provisional motion) is not finalized, the chairman may not announce the meeting without a resolution; if the chairman violates the provisions, the other members of the board shall promptly assist the attending

shareholders in accordance with the law to attend the meeting. More than half of the shareholders' voting rights agreed to elect one person to serve as the chairman and continue to hold the meeting. The chairman shall give full explanation and discussion to the proposal and the amendments or temporary motions proposed by the shareholders. If it is considered to have reached the level of voting, the chairman may be declared to stop discussing and vote.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson. Those who attended the meeting only provided speeches but did not speak were considered as not speaking. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail. Each shareholder of the same proposal shall not speak more than twice without the consent of the chairman, and may not exceed five minutes at a time. However, if the shareholder speaks in violation of the regulations or exceeds the issue, the chairman shall stop it. When attending a shareholder's speech, other shareholders shall not intervene unless the chairman and the speaking shareholder agree, and the violators shall stop it. When a legal person shareholder appoints two or more representatives to attend the shareholders meeting, the same motion may only be made by one person. After attending the shareholders' speech, the chairman may personally or designate the relevant personnel to reply.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other 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. Except for the trust business or the stock agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting right of the agent shall not exceed 3% of the voting rights of the total number of issued shares, and the voting rights exceeding the period shall not be counted.

Article 13 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. Shareholders' voting rights have one vote per share, except as otherwise provided by the Company Act and relevant regulations. In addition to the provisions of the Company Act, the method of entrusting the attendance of the shareholders shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" issued by the competent authority. The counting operation of the shareholders' meeting election proposal shall be made public at the shareholders' meeting, and after the completion of the counting of votes, the voting results shall be announced on site, including the statistical weights of

votes, and shall be recorded.

Article 14 The election of directors and supervisors 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.

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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 The resolutions of the shareholders' meeting shall be made into a deliberation, signed or sealed by the chairman, and the minutes shall be distributed to the shareholders within 20 days. For the distribution of the proceedings, you must enter a public information station announcement. The minutes of the proceedings should be confirmed, such as the time, place and name of the chairman. They should be kept forever during the Company's existence. The method of resolution is to seek the opinions of the shareholders through the chairman. The shareholders have no objection to the proposal. They should be named by the chairman to consult all the shareholders who have no objection. If the shareholders disagree with the proposal, they should vote for the lottery.

Article 16 The number of shares sought by the solicitor and the number of shares of the entrusted agent shall be compiled by the Company on the day of the meeting of the shareholders' meeting, in accordance with the prescribed format, and shall be clearly disclosed in the shareholders' meeting. In the resolutions of the shareholders' meeting, if there is a major message as provided by law and the Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall transmit the contents to the MOPS within the specified time.

Article 17 The chairman may direct the picket or security personnel to help maintain the order of the venue. When pickets or security personnel are present to assist in maintaining order, they should wear a picket badge or identification card. The venue has sound-amplifying equipment. When the shareholders do not speak on the equipment configured by the Company, the chairman must stop it.

If the shareholder violates the rules of procedure and does not obey the chairman's correction, it will hinder the meeting from being stopped. If the chairman conducts the picket or the security personnel, he or she must leave the venue.

Article 18 When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. The agenda set by the shareholders' meeting cannot be used until the end of the awareness (including the provisional motion). The meeting of the shareholders meeting may find another venue to continue the meeting. The shareholders' meeting shall, in accordance with Article 182 of the Company Act, defer or extend the assembly within five days.

Article 19 These rules are implemented after the approval of the shareholders' meeting.

Appendix 3

Zeng Hsing Corporation

Rules for Election of Directors and Supervisors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 44 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 Supervisors of this Corporation shall meet the following qualifications:

Integrity and a practical attitude.

Impartial judgment.

Professional knowledge.

Broad experience.

Ability to read financial statements.

In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.

Appointments of supervisors shall be made with reference to the provisions on independence contained in the Regulations Governing Appointment of

Independent Directors and Compliance Matters for Public Companies, in order to select appropriate supervisors to help strengthen the corporation's risk management and control of finance and operations.

At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director.

A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

Article 5 The qualifications for the independent directors of this Corporation 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 independent directors of this Corporation 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 shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 6 Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation 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 Corporation's articles of incorporation, this Corporation 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 proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, 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.

When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors 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.

- Article 7 The cumulative voting method shall be used for election of the directors and supervisors 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.
- Article 8 The board of directors shall prepare separate ballots for directors and supervisors 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.
- Article 9 In accordance with the company's articles of association, If two or more people have the same number of votes and exceed the prescribed numbers, the director will be determined by drawing from the person with the same number of votes. If they did not be present, the chairman will help them to draw .
- Article 10 Before the election begins, the chairman shall appoint scrutineers and tellers to perform related process. The ballot box is prepared by the board of directors, and the scrutineers check the ballot box in public before voting.
- Article 11 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 12 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
- Article 13 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 or supervisors 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 ballots shall be retained until the conclusion of the litigation.

Article 14 The board of directors of the Company will issue a notice of election to the elected directors and supervisors.

Article 15 The process will be enacted after being approved at the shareholders' meeting, the same shall apply to amendments.

Appendix 4

Zeng Hsing Corporation

Guidelines for the Adoption of Codes of Ethical Conduct (Before amendments)

- Article 1 In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, supervisors, and managerial officers of TWSE listed and TPEX listed companies (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.
- Article 2 In accordance with the relevant regulations of the Securities and Futures Bureau No. 0930005101 of the Securities and Futures Bureau on October 28, 1993 and the No. 0930028186 of the Stock Exchange of Taiwan Securities and Exchanges on November 11, 1993.
- Article 3
Content of the code Taking its individual circumstances and needs into consideration, a TWSE or GTSM listed company shall adopt a code of ethical conduct that addresses at least the following eight matters:
1. Prevention of conflicts of interest:
Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.
 2. Minimizing incentives to pursue personal gain:
The company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the company.
 3. Confidentiality
The directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information

regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

4. Fair trade:

Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors, supervisors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

6. Legal compliance:

The company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the Company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.

8. Disciplinary measures:

When a director, supervisor, or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.

Article 4 The code of ethical conduct adopted by a company must require that any exemption for directors, supervisors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

- Article 5 A TWSE or TPEX listed company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.
- Article 6 A company's code of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 5

Zeng Hsing Corporation Procedures for Ethical Management (Before Amendment)

- Article 1 These Procedures are adopted to assist companies to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.
These Procedures are applicable to its business groups and organizations of such company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").
- Article 2 When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 3 "Benefits" in these Procedures means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 4 The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
- Article 5 The Company shall abide by "Honesty, innovation, teamwork and community", base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.
- Article 6 The commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.
- Article 7 The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.
Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any

dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

- Article 8 When conducting business, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- Article 9 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Article 10 When making or offering donations and sponsorship, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article 11 The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
- Article 12 The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.
- Article 13 The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.
- Article 14 In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

- Article 15 The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.
- To achieve sound ethical corporate management, the Audit office of the Company is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis:
1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
 4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
 5. Developing a whistle-blowing system and ensuring its operating effectiveness.
 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- Article 16 The Company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.
- Article 17 The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.
- When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of a the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 18 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 19 The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Procedures.
8. Disciplinary measures on offenders.

Article 20 The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 21 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow

company insiders and outsiders to submit reports.

2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.

Article 22 The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 23 The Company shall disclose their ethical corporate management best practice principles on their company websites, annual reports, and prospectuses.

Article 24 The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25 The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended. When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Appendix 6

Zeng Hsing Corporation

Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees (Before Amendments)

- Article 1 Purpose
A public company shall comply with these Regulations when making loans to and endorsements/guarantees for others; provided that where another act or regulation provides otherwise, the provisions of such act shall prevail.
- Article 2 Legal
These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act ("the Act") and relevant regulations promulgated by FSC are set.
- Article 3 Scope
1. Entities to which the Company may loan funds:
 - (1) Where an inter-company or inter-firm business transaction calls for a loan arrangement; or Where an inter-company or inter-firm short-term financing facility is necessary.
 - (2) The company or inter-firm necessary for short-term financing is limited to the following:
 - (a) Companies with more than 20% of the company's shareholdings are required to meet the business needs.
 - (b) The company's board of directors agreed to the fund loan.
 2. The endorsements referred to in this procedure include financing endorsement guarantees, customs duty endorsement guarantees and other endorsement guarantees in three major categories:
 - (1) Financing endorsements/guarantees, including:
 - (a) Bill discount financing.
 - (b) Endorsement or guarantee made to meet the financing needs of another company.
 - (c) Issuance of a separate negotiable instrument to a non- financial enterprise as security to meet the financing needs of the Company itself.
 - (2) Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
 - (3) Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
 3. The object of the company's endorsement guarantee:
 - (1) A company with which it does business.
 - (2) A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
 - (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
- Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

The capital contribution referred to in the preceding paragraph refers to the direct capital contribution of the Company or the capital contribution of the Company with 100% of the voting shares.

4. The subsidiaries and parent companies referred to in this procedure shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The Company's financial report is prepared in accordance with the International Financial Reporting Standards. The net value referred to in this procedure refers to the equity of the securities issuer's financial report preparation standards attributable to the owners of the parent company.

- Article 4 The ceilings on the amounts permitted to make in endorsements/guarantees
1. If the company's fund loans and targets are companies or inter firm that have business dealings with the company, the individual loans and amounts must not exceed the highest amount of purchase or sales between the two parties in the previous year.
 2. The company's fund loans and objects are necessary for business transactions or short-term financing, the limit for individual objects shall not exceed 20% of the total loanable funds of the company; the financing amount shall not exceed the net value of the company. Forty.
 3. The total amount of the company's external endorsement guarantee shall not exceed 40% of the current net value. The limit for endorsement of a single enterprise is limited to 20% of the net value of the current period, but only for a single overseas affiliate company that does not exceed 30% of the net value of the current period. It shall not exceed the total amount of transactions with the Company in the most recent year (the amount of goods purchased or sold between the two parties is higher).
 4. The total amount of the endorsement guarantees of the Company and its subsidiaries shall not exceed the net value of the current period of 45% and the amount guaranteed for the endorsement of a single enterprise shall not exceed 30% of the current net value.
 5. The term "short-term" as used in the preceding paragraph means one year. The term "financing amount" means the cumulative balance of the public company's short-term financing. The restriction in paragraph 1, subparagraph 2 and 3 shall not apply to inter-company loans of funds and Endorsement guarantee between foreign companies in which the public company holds, directly or indirectly, 100% of the voting shares.

- Article 5 Hierarchy of decision-making authority and delegation thereof.
1. The board of directors is the company's fund lending and other people's approval resolutions. Any matters relating to the company's fund lending and others shall not be approved by the board of directors. The loan of funds between the Company and its subsidiaries or subsidiaries shall be subject to the resolutions of the Board of Directors in accordance with the foregoing provisions, and may authorize the Chairman to allocate the same amount of credits and the resolutions of the board of directors within a certain period of not less than one year.
The amount of the credits referred to in the preceding paragraph shall not exceed 10% of the net value of the latest financial statements of the Company, except for those that meet the requirements of Article 4,

paragraph 3.

2. The company's endorsement guarantees should be approved by the board of directors. However, in order to meet the statute of limitations, the board of directors shall authorize the chairman to make a decision within 30% of the current period's net worth, and report to the board of directors for follow-up after the event, and report the relevant situation to the shareholders' meeting for future reference. However, the Company directly and indirectly holds more than 90% of the voting shares of the Company in accordance with the provisions of the third paragraph of Article 3, before the endorsement of the guarantee, and should be reported to the board of directors of the Company after the resolution. However, the Company shall directly and indirectly hold 100% of the inter-company endorsement guarantees of voting shares, except for this.

When the Company has set up independent directors, it should fully consider the opinions of each independent director when it is a loan for funds or endorsement for others, and include the reasons for its consent or objection and the reasons for objection in the records of the board of directors.

Article 6 Procedures of operating

1. Operational Procedures for Loaning Funds:
 - (1) When lending money to others, the finance department is responsible for reviewing the borrower and formulating the maximum loanable amount and amount, term, interest-bearing method, and presentation and contracting operations, and is responsible for setting up the special person to keep the fund loan and other people's homework registration information and related file.
 - (2) After the fund loan and others' cases are approved by the board of directors, the finance department is responsible for appropriating the payment operation and the repayment of principal and interest.
 - (3) The finance department shall, in accordance with the time limit and report format prescribed by the Executive Yuan's Financial Supervisory Committee, report the funds and other persons' information to the relevant authorities on schedule.
 - (4) The Executive Director's Office is responsible for the investigation of the funds and other people's case investigations and the unit responsible for the evaluation.
2. Operational Procedures for Endorsements/Guarantees:
 - (1) When the endorsement guarantees that the enterprise needs to use the endorsement guarantee amount within the quota, it shall provide basic information and financial information, and fill in the application form to submit an application to the financial department of the company. The financial department shall conduct detailed evaluation and handle the credit investigation work. The assessment includes its necessity and reasonableness, the endorsement guarantee for its business relationship, the amount of the endorsement guarantee amount and the business transaction amount, the impact on the Company's operational risk, financial position and shareholders' equity, and whether collateral should be obtained and Valuation of the value of collateral, etc.

- (2) The financial department of the Company will collect the relevant information and assessment results of the preceding paragraph. If the accumulative balance at the time of the endorsement has not exceeded 30% of the net value of the current period, it will be submitted to the chairman of the board for review and then submitted to the board of directors. If the endorsement guarantees that the accumulated balance has exceeded 30% of the net value of the current period, it shall be submitted to the board of directors for approval and shall be handled in accordance with the resolution of the board of directors. The Company and its subsidiaries have determined that the total amount of endorsement guarantees is more than 50% of the net value of the Company and should be explained at the shareholders' meeting for its necessity and reasonableness.
- (3) The endorsement guarantee book established by the finance department shall guarantee the object of the endorsement, the amount, the date of the approval of the board of directors or the chairman of the board of directors, the date of endorsement guarantee, the matters that should be carefully evaluated in accordance with these provisions, the content of the collateral and its evaluation value, and the endorsement guarantee. The conditions and dates of the responsibilities are detailed for future reference.
- (4) When the endorsement guarantees the repayment of the enterprise, the Company shall pay the repayment information to the Company in order to release the responsibility of the Company and publish it in the endorsement guarantee checklist.
- (5) A public company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

Article 7

The chop custody and procedures

The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures.

When making a guarantee for a foreign company, a public company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

Article 8

Operation control

1. Loans to Others

- (1) When the Company applies for loans to others, the finance department shall complete the detailed examination of the borrower's purpose, guarantee terms and the impact on the Company's operational risks, financial status and shareholders' rights. After formulating the maximum loanable amount, time limit, interest-bearing method, or reaching the decision of not extending the loan, it will submit the report to the CEO for due diligence and appraisal, and after confirming the consent, the

general manager and the chairman of the board of directors shall approve the agreement, before report it to the board of directors for approval.

- (2) Regarding the renewal case, in addition to the above-mentioned review and due diligence operations, the due diligence operation shall be conducted every six months or one year during the loan term, and the results of the due diligence shall be reported to the responsible department heads for approval according to the approval and reporting procedure.
- (3) The borrower shall provide a collateral of considerable value. The collateral may provide real estate, movable property or a certain number of deposit certificates (the number of which is subject to approval), but regardless the nature of the collateral provided, the amount of the collateral shall be the same as the liability. The guarantee note (whether the guarantee note is subject to other company or legal person endorsement depends on whether the approval conditions are required). The collateral must be valued by the legal staff of the company. If the collateral is more than RMB 100 million, and if the collateral is real property and should be valued by an external professional appraisal unit, and regardless of whether the loan is finally extended, the appraisal fee will be borne by the borrower. After the completion of the evaluation of the collateral, the collateral must be entrusted by the financial department to a scrivener to handle the mortgage creation procedure or go to the bank for time deposit pledge work other related collateral preservation operations.
- (4) After the loan has been approved by the board of directors, the finance department shall sign the contract with the borrower within its function and responsibilities, and shall submit the application according to the regulations. After signing the contract, the finance department may consider the borrower's capital requirements. The borrower may also repay the loan once or in multiples, but the loan balance shall not exceed the maximum amount of the repayment period approved by the board of directors.
- (5) The company's maximum loan period is limited to one year, and the interest rate shall not be lower than the highest interest rate of the company's short-term loans from financial institutions.
- (6) If the collateral arising from the loan is not land or securities, it shall be covered by fire insurance, and the Company shall be the beneficiary.
- (7) When the loan is due, the financial department shall notify the borrower to handle the repayment operation according to the contract. When the borrower has to cancel the collateral and pledge right after repaying the loan, the financial department shall handle the settlement and cancellation of the operation, and shall execute the cancellation after obtaining approval from the supervisor.
- (8) The loan operations should be recorded in the record book to state the borrower of the loan, the amount, the date of the board meeting approved the loan, the date the fund is drawn and the items that should be carefully evaluated in accordance with the first paragraph of the

preceding article. The finance department shall designate staff responsible for keeping the record book.

- (9) After the loan is drawn, the financials, business and related credit status of the borrower and the guarantor should be constantly monitored. If there is any collateral, attention should be paid to the change of the guarantee value. In case of major changes, the board should be notified immediately and take appropriate measures follow the instructions.
 - (10) When the borrower repays the loan before the expiration of the loan, the interest payable shall be calculated first and repaid together with the principal before the promissory note and the borrowings can be cancelled and returned to the borrower or the mortgage can be withdrawn.
 - (11) When the loan matures, the borrower shall pay off the principal and interest immediately. If the loan is not repaid and needs to be extended, the applicant must submit an application in advance and report it to the board of directors for approval. If the board of directors does not approve the extension, the borrower shall immediately pay off the principal and interest, otherwise the Company should collect the payments according to law.
 - (12) If the Company incurs any changes so the loan and the borrower do not meet the requirements of the operating procedures or the balance exceeds the limit, the improvement plan shall be formulated, and the relevant improvement plan shall be sent to the supervisors, and the improvement shall be completed according to the planning schedule and reported to the board of directors.
2. Endorsement guarantees:
- (1) If the Company changes due to the circumstances, the endorsement guarantee object does not meet the requirements of the operating procedures, or the amount exceeds the limit, the improvement plan should be set, the relevant improvement plan should be sent to the supervisors, and the improvement and reporting should be completed according to the planning schedule. On the board of directors.
 - (2) The Company's endorsement guarantees that due to business needs, and if it exceeds the amount specified in these Measures and meets the conditions stipulated in the present Measures, it shall be approved by the Board of Directors and more than half of the directors shall name the joint loss of the company's losses. And amend these measures and report them to the shareholders' meeting for confirmation; when the shareholders' meeting disagrees, they should fix the plan to sell the overrun limit within a certain period of time. The Company has set up independent directors. In the discussion of the board of directors of the preceding paragraph, the opinions of the independent directors should be fully considered and the reasons for their express or dissenting opinions and objections should be included in the records of the board of directors.
 - (3) If the endorsement guarantee object is a subsidiary whose net value is less than one-half of the paid-in capital, the relevant management and control measures shall be determined.

- (4) If the subsidiary's stock has no denomination or the denomination of each share is NT\$10, the amount of paid-in capital calculated in accordance with the provisions of the preceding (iii) shall be the sum of the capital reserve plus the issue premium.
3. The internal auditors of the Company shall, at least quarterly, audit the funds and other people's and endorsements to ensure the operating procedures and their implementation, and make written records. If any major violations are found, they shall notify the supervisors in writing.

Article 9 The time and content of the declaration should be announced

1. The Company shall, on the 10th of each month, submit the endorsement guarantee and the loan to others of the Company and its subsidiaries to the designated website of the FSC for public announcement. The date of occurrence of the alleged facts referred to in this procedure refers to the date on which the transaction is signed, payment date, board resolution date, or information sufficient to determine the earlier of the transaction counterparty or the date of the transaction amount can be fully determined
2. The company's loans that meet one of the following standards shall be announced within two days from the date of the occurrence:
 - (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
 - (3) The amount of new loans by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.
3. If the endorsement of the Company meets one of the following standards, it shall be announced within two days from the date of the occurrence:
 - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
 - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees, long-term investment and loans to such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.
 - (4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
4. The Company shall announce and report on behalf of any of its subsidiary which is not a public company of the Republic of China with respect to any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of paragraph 2 and subparagraph 4 of paragraph 3.

5. A public company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.
6. public company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.
7. The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

Article 10 Procedures for controlling and managing the loan and endorsements/guarantees by subsidiaries.

1. Where a subsidiary of the Company intends to provide loans and endorsements/guarantees for others, the Company shall instruct it to formulate its own the governing Procedures for Loaning of Company Funds and Making of Endorsements/Guarantees.
2. Subsidiaries shall prepare a list of the previous month's loans to others or endorsements for others and submit them to the Company before the 10th (excluding) day of each month.
3. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees and the Operational Procedures for Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.
4. When the audit personnel of the Company check the subsidiaries according to the annual audit plan, they should also investigate how the subsidiaries endorse the operating procedures, loans and other people's operating procedures. If any deficiencies are found, they should continue to track the improvement and prepare a tracking report to the general manager.

Article 11 Penalty

When the manager and the organizer of the Company violate this operating procedure, they shall submit the assessment in accordance with the relevant regulations of the Company, and shall be punished according to their circumstances. Those who violate the law shall be prosecuted according to law.

Article 12 Implementation and revision

The Procedures after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the Company has established the position of independent director, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

Appendix 7

Zeng Hsing Corporation

Regulations Governing the Acquisition and Disposal of Assets by Public Companies (Before Amendments)

- Article 1 In order to protect assets and implement information disclosure, this processing procedure is specially formulated.
- Article 2 These Regulations are adopted in accordance with Article 36-1 of the Securities and Exchange Act ("the Act"). Public companies shall handle the acquisition or disposal of assets in compliance with these Regulations; unless where other law or regulation provides otherwise, such provisions shall govern.
- Article 3 The term "assets" as used in these Regulations includes the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 2. Real estate (including land, housing and construction, Land use rights, investment real estate, land use rights, inventory of the construction industry) and its equipment.
 3. Membership card.
 4. Intangible assets: including intangible assets such as patents, copyrights, trademarks, and concessions.
 5. Claims of financial institutions (including receivables, discounted bills and loans, collections).
 6. Derivative goods.
 7. Assets acquired or disposed of in accordance with legal mergers, divisions, acquisitions or transfer of shares.
 8. Other important assets.
- Article 4 Terms used in these Regulations are defined as follows:
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index or other interests or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156 paragraph 6 of the Company Act.
 3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 4. Professional appraiser: Refers to a real property appraiser or other person

duly authorized by law to engage in the value appraisal of real property or equipment.

5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. "Within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
8. "Latest Financial Statements" used in the procedure is the financial statements of this company audited or reviewed by a certified public accountant which has been published in accordance with applicable regulations before the subject acquisition or disposal of assets.

Article 5 Investment for non-business real estate and securities

The amount of the above assets obtained by the Company and each subsidiary individually is as follows:

1. The total amount of immovable property not for business use shall not exceed the net value of the company.
2. The total amount of long-term investment and short-term securities shall not exceed the net value of the company.
3. The amount of investment in individual securities may not exceed 40% of the company's net value.

Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

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

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

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 7 Where a public company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8 Procedure for acquiring or disposing real estate property or equipment.

1. Appraisal and operational procedure
The Company's acquisition or disposal of real estate property or equipment shall comply with the Company's internal control system and fixed asset rules.
2. Trade terms and conditions and credit limit decision-making procedure
 - (1) To obtain or dispose of immovable property, reference shall be made to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, etc., and the transaction conditions and transaction price shall be determined, and an analysis report shall be submitted to the chairman of the board, and the amount shall be less than NT\$10,000 (inclusive). It should be submitted to the chairman of the board for approval. The amount of NT\$10 million (inclusive) or above should be reported in the latest board meeting after the event; if it exceeds NT\$10 million, it must be approved by the board of directors. It.
 - (2) The acquisition or disposition of other fixed assets shall be made by way of inquiry, price comparison, bargaining or bidding. If the amount is less than NT\$10,000 (inclusive), it shall be approved step by step according to the authorization method; Those who have received 10,000 yuan should be submitted to the general manager for approval and must be approved by the board of directors.
3. Execution unit
When the Company obtains or disposes of real property or other fixed assets, it shall be executed by the user department and the management department after the verification of the authority of the previous paragraph is submitted.

4. Appraisal report for real estate property or other fixed assets

In acquiring or disposing of real property or equipment, thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; Those who change the trading conditions in the future should also follow the above procedures.
 - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 9 Procedure for acquiring or disposing securities

1. The purchase and sale of the company's long-term and short-term securities are handled in accordance with the company's internal control system.
2. Trade terms and conditions and credit limit decision-making procedure
 - (1) The trading of securities in the centralized trading market or the securities firm's business premises shall be decided by the responsible unit according to the market conditions. The amount of the securities below NT\$30 million (inclusive) shall be approved by the chairman and the latest boarding meeting held afterwards. The board of directors will file a report and submit a report on the analysis of the unrealized interest

or loss of long-term and short-term securities; if the amount exceeds NT\$30 million, it must be approved by the board of directors.

- (2) Not for the trading of securities in the centralized trading market or the securities firm's business premises, in the case of lower investment risk, such as government bonds, treasury bonds, guaranteed corporate bonds, bond funds, etc., the amount of individual financial assets invested in a single investment. In the case of NT\$100 million (including), the chairman of the board of directors approves and submits the report in the latest board meeting afterwards. At the same time, it also submits analytical reports of the long-term and short-term securities that have unrealized profit or loss; the amount of individual financial assets invested in a single investment. If the amount exceeds NT\$100 million, it must be approved by the board of directors.
- (3) For long-term investment in securities trading, the Company should first obtain the financial statements of the Company with the most recent account audit or review as the reference for evaluating the transaction price, taking into account its net value per share, profitability and future development potential, to be approved by the chairman and will be reported in the latest board meeting after the event, and present the analytical reports of the long-term and short-term securities that have unrealized profit or loss at the same time.

3. Execution unit

When the Company invests in long-term and short-term securities, it shall be executed by the accounting unit after it has been submitted for verification according to the pre-existing authority.

4. Obtain an accountant's opinion

A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the Financial Supervisory Commission (FSC).

Article 10 Procedures of Related Party Transactions

1. The Company and its related parties obtain or dispose of assets. Except for the handling of the Article 8 processing procedures and the relevant resolution procedures and the assessment of the reasonableness of the trading conditions, the transaction amount shall be more than 10% of the company's total assets. The valuation report or accountant's opinion issued by the professional valuer shall also be obtained in accordance with Article 8. The calculation of the transaction amount of the preceding paragraph shall be handled in accordance with one of the provisions of Article 11. In addition,

when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should be considered.

2. Procedures of Assessment and operation

When a public company intends to acquire or dispose of real property or thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of real estate
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 3 paragraph 1 to 4 and 6.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 15, paragraph 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, the company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an

independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

3. Rationality of transaction costs
 - (1) A public company that acquires real property thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
 - (2) Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
 - (3) A public company that acquires real property thereof from a related party and appraises the cost of the real property thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
 - (4) When the Company obtains the real property from the related party in accordance with paragraph 1 and paragraph 2 of the Article 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 3 paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (a) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (b) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - B. For other non-relevant lease cases within one year of the same floor of the same subject, the transaction conditions shall be estimated based on the reasonable floor price difference according to the real estate leasing practice.
 - C. Where a public company acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.
- (5) Where a public company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:
- A. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - B. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
 - C. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

A public company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has

recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (6) The company obtains real estate from related parties. In any of the following circumstances, it shall be handled in accordance with the provisions of the first and second items of this Article. The assessment requirements for the reasonableness of transaction costs in paragraphs (1), (2) and (3) of Article 3 of this Article are not applicable:
- A. The related party acquired the real property through inheritance or as a gift.
 - B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
 - C. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- (7) When a public company obtains real property from a related party, it shall also comply with the Article 3 paragraphs (5) if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11 Procedures for Acquisition or Disposal of Memberships or Intangible Assets

1. Appraisal and Operating Procedures
Acquisition or disposal of memberships or intangible assets by the Company shall follow the fixed assets cycle under the Company's internal control system.
2. Decision procedure for trading conditions and authorization amount
If the Company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any directors express objection and have a record or written statement, the Company shall send the directors' dissent materials to the supervisors. In addition, if the Company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors.
3. Division Responsible for Implementation
The division responsible for implementation of acquisition or disposal of real property and equipment in the Company is the User Department and related authorized divisions.
4. Member card or intangible asset expert assessment report
Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an

opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

- Article 11-1 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
- Article 12 Procedure for obtaining or disposing of claims of financial institutions
In principle, the Company does not engage in the transaction of obtaining or disposing of the creditor's rights of the financial institution. If it is to engage in the transaction of obtaining or disposing of the financial institution's claim, it will report it to the Board of Directors for approval before finalizing its assessment and operating procedures.
- Article 13 Procedures for Acquisition or Disposal of Derivatives products
1. Trading principles and guidelines
 - (1) Type of transaction
 - A. Derivative financial products engaged by the Company refer to transaction contracts whose value is derived from commodities such as assets, interest rates, exchange rates, indices or other interests (such as forward contracts, options, futures, interest rates or exchange rates, exchanges, and the above commodities combined composite contract, etc.)
 - B. Matters relating to bond margin transactions shall be handled in accordance with the relevant provisions of this procedure. The trading of bonds with repurchase conditions does not apply to the provisions of this procedure.
 - (2) Management (hedging) strategy
The Company engages in derivative financial products trading, and should aim at hedging. The trading commodities should be selected to avoid the risks arising from the business operations of the company. The currency held must match the foreign currency demand of the company's actual import and export transactions. The company's overall internal positions (referring to foreign currency income and expenses) are self-financing, thereby reducing the company's overall foreign exchange risk and saving foreign exchange operating costs. Other specific use transactions must be carefully evaluated and submitted to the Board for approval before proceeding.
 - (3) Division of powers and responsibilities
 - A. financial department
 - (A) Trader
 - a. Responsible for the formulation of the company's financial commodity trading strategy.
 - b. Traders should regularly calculate the position every two weeks, collect market information, conduct trend determination and risk assessments, and formulate operational strategies. After obtaining approval by the

approval authority, they should be used as the basis for trading.

- c. The transaction is executed in accordance with the authorization authority and the established strategy.
- d. When there is a major change in the financial market and the trader judges that the established strategy is not applicable, the assessment report is submitted at any time, and the strategy is re-planned. After approval by the general manager, it is used as the basis for trading.

(B) Accountant

- a. Execute the transaction.
- b. Review whether the transaction is based on authorization rights and established policies.
- c. The evaluation is carried out monthly and the evaluation report is presented to the general manager.
- d. Accounting and accounting processing.
- e. Declaration and announcement in accordance with the regulations of the Financial Supervisory Commission of the Executive Yuan.

(C) Settlement staff: to perform settlement

(D) Derivative commodity authorization

- a. The approval authority of the hedging transaction for the hedging transaction must be approved by the chairman of the board of directors and submitted to the board meeting that immediately follows the transaction.
- b. Specific-purpose transactions can be carried out after being submitted to the Board of Directors for approval.
- c. If the Company obtains or disposes of the assets according to the prescribed processing procedures or other legal provisions, it shall be approved by the board of directors. If any directors express objection and have a record or written statement, the Company shall send the directors' dissent materials to the supervisors. In addition, if the Company has set up independent directors and will obtain or dispose of the asset transactions to the board of directors for discussion, it should fully consider the opinions of the independent directors. If the independent directors have any objections or reservations, they should be stated in the minutes of the board of directors.

(4) Performance evaluation

A. Hedging transaction

- (A) The performance is evaluated based on the profit and loss generated between the carrying value of the exchange rate cost of the Company and the derivatives transactions it undertakes.
- (B) In order to fully disclose the evaluation risk of the transaction, the Company evaluates the profit and loss by the monthly evaluation method.
- (C) The financial department shall provide foreign exchange position

evaluation and foreign exchange market trends and market analysis to the management for reference.

B. Specific transaction

The actual profit and loss are used as the performance evaluation basis, and the accounting staff must regularly report the positions to management for reference.

(5) Total contract amount and maximum loss limit

A. Total contract

(A) Hedging limit

The finance department should master the overall position of the Company to avoid trading risks. The amount of hedging transactions shall not exceed two-thirds of the company's overall net position, if exceeding two-thirds of the total, it should be reported to the general manager for approval.

(B) Specific transaction

Based on the projected market changes, the finance department may formulate strategies according to demands and report it to the general manager and the chairman of the board for approval. The Company's specific-purpose transactions are subject to a total contractual amount of the company's net accumulative position, which is limited to US\$ 3,000,000. If the amount exceeds the above amount, it must be approved by the board of directors, and it can be obtained according to the policy directive.

B. Setting of the upper limit of loss

(A) Hedging transaction avoids risks. The individual contract loss limit is 50% of the individual contract amount; the total contract loss limit is 50% of the total contract amount.

(B) For a special purpose transaction contract, after the position is established, a stop loss point should be set to prevent excess losses. The stop loss point is set at a limit of 15% of the transaction contract amount, and the amount of the individual contract loss is the lower of not more than US\$100 million or 15% of the transaction contract amount. The maximum annual loss for the company's specific purpose of trading operations is US\$ 300,000. If the amount of the loss exceeds 10% of the transaction amount, it shall be reported to the general manager immediately and to the board of directors to discuss the responsive measures.

2. Risk management measures

(1) Credit risk management:

Changes due to various factors in the market are prone to cause operational risks of derivatives products. Therefore, market risk management shall be handled according to the following principles:

A. Counterparties: shall be mainly well known domestic and foreign financial institutions.

B. Trading commodity: It is limited to the products provided by well-known domestic and foreign financial institutions.

C. Amount of the transaction: The transaction amount that is not offset of the same transaction counterparty shall not exceed 10% of the

- total authorized amount, unless approved by the general manager.
- (2) Market risk management:
The Company mainly trade in the foreign exchange market provided by banks, the futures market will not be considered for the time being.
 - (3) Liquidity risk management:
In order to ensure market liquidity, financial products with higher liquidity are preferred when making selections, and financial institutions engaged to make transactions must have sufficient information and the ability to conduct transactions in the market at any time.
 - (4) Cash flow risk management
To ensure the stability of the Company's operating capital, the Company engages in derivatives products transactions limited to its own funds, and its operation should consider the funding needs of future cash payment forecast.
 - (5) Operational risk management
 - A. The Company's authorization quota and operating procedures shall be include in the internal audits to avoid operational risks.
 - B. Traders engaged in derivatives products and operators such as confirmation and settlement shall not concurrently serve these positions.
 - C. The risk measurement, supervision and control personnel shall be in different departments from the preceding paragraph, and shall report to the board of directors or senior executives who are not responsible for the decision-making of the transactions or positions.
 - D. Derivatives position held should be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.
 - (6) Commodity risk management
Internal traders should have comprehensive and accurate professional knowledge of financial products, and banks are required to fully disclose risks to avoid mishandling of financial products.
 - (7) Legal risk management:
Documents to be signed with financial institutions should be formally reviewed by professionals of foreign exchange and legal affairs or legal counsel before they can be formally entered into to avoid legal risks.
3. Internal audit system
- (1) Internal auditors should regularly verify the appropriateness of the internal control of derivatives transactions, and check the compliance of the trading department regarding the transaction procedures for derivatives transactions and analyze the trading cycle on a monthly basis to make an audit report. If major violations are found, the supervisor shall be notified in writing and report to the board of directors.
 - (2) The internal auditor shall file the audit report and the annual audit of the internal audit work to the FSC by the end of February of the following year, and report the improvement of the abnormal matters to the FSC by the end of May of the following year.

4. Regular assessment
 - (1) The board of directors shall authorize the senior executives to regularly supervise and evaluate whether the derivatives transactions are actually handled in accordance with the Company's trading procedures, and whether the risks assumed are within the scope allowed and the market price assessment report is immediately reported to the board of directors in the event of any abnormal occurrences (such as position held exceeded limit) and appropriate measures are taken.
 - (2) Derivatives position held should be evaluated at least once a week, but hedging transactions conducted to meet business demand shall be evaluated at least twice per month and its assessment report shall be forwarded to the executives who are authorized by the board of directors.
5. The supervision and management principles of the board of directors when engaging in derivatives transactions
 - (1) The board of directors shall appoint high-level supervisors to monitor the supervision and control of the risk of derivatives trading at any time. The management principles are as follows:
 - A. Regularly assess whether the current risk management measures are appropriate and handled in accordance with the principle and the company's procedures when dealing with derivatives products.
 - B. Supervise the transaction and the gain/loss status, if any abnormality is found, necessary countermeasures shall be taken and immediately report the occurrence to the board of directors.
If the Company has set up independent directors, the independent directors shall attend the board meeting to express their opinions.
 - (2) Regularly assess whether the performance of the derivatives transactions meets the standards established in the business strategy and whether the risks assumed are within the Company's permissible scope.
 - (3) When the Company engages in derivatives trading, if the transactions are undertaken by persons authorized according to the derivatives product transactions procedures, such occurrence shall be reported to the most recent board meeting.
 - (4) When the Company engages in derivatives transactions, it shall establish a checklist to state the type and amount of the derivatives transactions, the date the board approves the proposal, and items that should be carefully assessed required by Paragraphs 4-2, 5-1 and 5-2 of the Article herein.

Article 14 Procedures for mergers, divisions, acquisitions or share transfers

1. Assessment and operation procedures
 - (1) When the Company handles mergers, divisions, acquisitions or share transfers, it is advisable to invite lawyers, accountants and underwriters to jointly study the estimated timetable for the statutory procedures and organize the ad hoc group to implement them in accordance with legal procedures. Before convening a resolution of the board of directors, the accountant, lawyer or securities underwriter is invited to express opinions on the proportion of the conversion, the purchase price or the reasonableness of the cash or other property of the allotment to the

board of directors for discussion and approval. However, the merger of the subsidiaries of the Company, which directly or indirectly holds 100% of the issued shares or capital, or the subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, may be exempted from the reasonable offer of the former experts. Sexual opinion.

(2) The Company shall merge, divide or acquire the important agreed contents and related matters, and make public documents to the shareholders before the meeting of the shareholders' meeting, and deliver the expert opinions of the first paragraph (1) of this Article and the notice of the meeting of the shareholders' meeting. Shareholders, as a reference for whether or not to agree to the merger, division or acquisition. However, except for those who are exempt from the merger, division or acquisition of the shareholders' meeting in accordance with other laws, this is not the case. In addition, the shareholders participating in the merger, division or acquisition, due to the number of attendees, insufficient voting rights or other legal restrictions, may not be convened, resolved, or the proposal will be rejected by the shareholders, the Company involved in the merger, division or acquisition should immediately disclose the reasons for the occurrence, the subsequent processing operations and the date of the expected shareholders meeting.

2. Other precautions

(1) The companies participating in the merger, division or acquisition shall, in addition to other laws or special factors, submit to the board of directors and the shareholders' meeting on the same day to resolve the merger, division or acquisition of the relevant matters.

The company participating in the transfer of shares shall, on the same day, convene the board of directors unless otherwise stipulated by other laws or with special factors in advance. Companies that participate in mergers, divisions, acquisitions or share transfers or stocks traded in securities dealers' offices shall make the following written records in full and keep them for five years for verification:

A. Basic personnel information: including the person who participated in the merger, division, acquisition or share transfer plan or plan execution before the news is published, its title, name, and identity card number (if it is a foreigner, the passport number).

B. Important Date: Includes dates such as signing a letter of intent or memorandum, entrusting financial or legal counsel, signing a contract, and the board of directors.

C. Important books and proceedings: including mergers, divisions, acquisitions or share transfer plans, letters of intent or memoranda, important contracts and minutes of directors' meetings.

A company that participates in a merger, division, acquisition or transfer of shares or shares in a securities firm's business premises shall, within two days from the date of the resolution of the board of directors, use the first and second paragraphs of the preceding paragraph in accordance with the prescribed format. Network

information system declaration.

A company that participates in a merger, division, acquisition or transfer of shares has a company that is not listed or whose shares are traded in the securities firm's business premises. Companies that are listed or traded in the securities firm's business premises should sign an agreement with them and comply with the third paragraph and the fourth rule is handled.

- (2) Prior confidentiality commitment: All persons who participate in or know the company's merger, division, acquisition or share transfer plan shall issue a written confidentiality commitment, and the contents of the plan shall not be disclosed to the public before the information is disclosed, nor may they use the name of others themselves or Trading in shares of all companies related to mergers, divisions, acquisitions or share transfer cases and other securities of an equity nature.
- (3) The principle of change and change of the share conversion ratio or the purchase price: the Company participating in the merger, division, acquisition or share transfer shall, before the board of directors of both parties, appoint an accountant, lawyer or securities underwriter for the share conversion ratio, purchase price or allotment shareholder Express the opinion on the reasonableness of the cash or other property and report it to the shareholders' meeting. In principle, the conversion ratio or the purchase price shall not be arbitrarily changed, but the conditions for the change in the contract have been fixed and disclosed to the public. The conversion ratio or purchase price may be changed as follows:
 - A. Handling cash capital increase, issuing conversion corporate bonds, unpaid share allotment, issuing warranted corporate bonds, special stocks with warrants, warrants and other securities of equity nature.
 - B. Disciplining the company's major assets and other activities that affect the company's financial business.
 - C. Major disasters, major technological changes, etc. affect the company's shareholders' equity or securities prices.
 - D. The adjustment of the treasury shares purchased by one of the companies involved in the merger, division, acquisition or share transfer.
 - E. The number of entities or households involved in the merger, division, acquisition or share transfer has increased or decreased.
 - F. Other conditions that have been changed in the contract have been disclosed to the public.
- (4) The contents of the contract shall include: the merger, division, acquisition or transfer of the Company of the share transfer company shall be subject to the following matters, in addition to the provisions of Article 317 of the Company Act and Article 22 of the Business Mergers And Acquisitions Act.
 - A. Default treatment.
 - B. The company that has been eliminated or divided by the merger has previously issued the principle of dealing with equity securities or treasury shares that have been bought back.

- C. After participating in the calculation of the base date of the conversion ratio, the participating companies may legally buy back the number of treasury shares and how to deal with them.
 - D. The way in which the number of participating entities or households are increased or decreased.
 - E. The progress of the project is expected to be completed and the schedule is expected to be completed.
 - F. When the plan is not completed within the time limit, the relevant processing procedures such as the scheduled date of the shareholders' meeting shall be convened in accordance with the law.
- (5) When a company that participates in a merger, division, acquisition or transfer of shares is subject to change: Any party that participates in a merger, division, acquisition or transfer of shares may, after disclosure of information, intend to merge, divide, acquire or otherwise merge with other companies. The transfer of shares, except for the decrease in the number of participating households, and the shareholders' meeting has resolved and authorized the board of directors to change the authority, the participation in the Company is exempted from convening the shareholders' meeting to re-issue the resolution, the original merger, division, acquisition or share transfer case has been completed. The procedures or legal acts should be followed by all participating companies.
- (6) If the Company participating in the merger, division, acquisition or share transfer has a non-public offering company, the Company shall sign an agreement with it and convene the date of the board of directors and the second paragraph (2) in accordance with paragraph (1) of this article. Paragraph (5) shall be dealt with in accordance with the provisions of the merger, division, acquisition or transfer of shares of the company.

Article 15 Information disclosure procedure

1. The project should be announced and the reporting standard should be announced.
 - (1) Obtain or dispose of immovable property from the related party, or acquire or dispose of other assets other than the real property with the related person and the transaction amount shall reach 20% of the company's paid-in capital, 10% of the total assets or NT\$300 million. However, the sale and purchase of public debt, the purchase of bonds, the sale of bonds, the purchase or purchase of money market funds issued by domestic securities investment trusts are not limited.
 - (2) Consolidation, division, acquisition or share transfer.
 - (3) The amount of all or individual contractual losses specified in the processing procedures for the loss of derivative goods transactions.
 - (4) The types of assets acquired or disposed of are equipment for business use, and the transaction objects are not related parties, and the transaction amount is one of the following:
 - A. The amount of paid-up capital is less than NT\$10 billion in public offering companies, and the transaction amount is NT\$500 million.
 - B. The publicly issued company with a paid-in capital of NT\$10 billion or

more has a transaction amount of NT\$1 billion or more.

- (5) The company is expected to invest NT\$500 million in real estate by means of local construction, land lease construction, joint housing construction, joint construction, and joint construction.
- (6) In addition to the first five paragraphs of asset transactions, financial institutions to dispose of creditor's rights or engage in mainland investment, the transaction amount of the company's paid-in capital of 20% or NT\$300 million. However, the following situations are not limited to this:
 - A. Buying and selling public debt.
 - B. Buying and selling bonds with buy back, selling back conditions, buying or buying back money market funds issued by domestic securities investment trusts.

The calculation of the aforementioned transaction amount is as follows, and the alleged one year is based on the date on which the fact of the transaction occurred, and is retroactively calculated for one year.

- (1) The amount of each transaction.
 - (2) The amount of transactions acquired or dispositioned by the same counterpart in the same nature within one year.
 - (3) The amount of the same development plan real estate accumulated or acquired (accumulated and disbursed separately) within one year.
 - (4) The amount of the same marketable securities accumulated or disbursed (acquired and disbursed separately) within one year.
2. Time limit for handling announcements and filings
The company obtains or disposes of assets, has the items to be announced in this procedure, and the transaction amount up to the declared standard of this article shall be reported within two days from the date of the fact.
 3. Announcement procedure
 - (1) The company shall report the relevant information to the designated website of the Financial Supervision and Administration Commission for public announcement.
 - (2) The Company shall, on a monthly basis, enter into the information reporting website designated by the FSC by the Company and its non-domestic public offering subsidiaries in the form of derivative goods transactions as of the end of last month in accordance with the prescribed format.
 - (3) If the Company shall make corrections in accordance with the regulations, if it is wrong or missing during the announcement, it shall, within 2 days from the date of notification, re-issue the declaration in accordance with the relevant laws and regulations.
 - (4) Where the Company obtains or disposes of assets, it shall deposit the relevant contract, the proceedings, the record book, the valuation report, the accountant, the lawyer or the securities underwriter's opinions in the company, and save for at least five years, unless otherwise stipulated by other laws.
 - (5) After the Company announces the declared transaction in accordance with the provisions of the preceding article, if any of the following circumstances occurs, the relevant information shall be reported on the

designated website of the FCC within two days from the date of the fact:

- A. The relevant contract signed by the original transaction has been changed, terminated or cancelled.
- B. Mergers, splits, acquisitions or share transfers are not completed on the contractual schedule.
- C. The original announcement has changed.

4. Announcement format

The company obtains or disposes of assets. If there are any of the following circumstances and meets the application criteria, it shall, according to the nature, the content, format and items to be recorded in accordance with the regulations of the competent authority, shall be notified within the prescribed time limit:

- (1) The company trades the securities of the parent company or related company at the centralized trading market or counter trading center at home and abroad.
- (2) Real estate will be acquired by means of self-employment construction, joint housing construction, joint construction, and joint construction.
- (3) Acquiring or disposing of immovable property and other fixed assets, and obtaining real estate from related parties.
- (4) It is not the securities market, the membership card, the sale of intangible assets and the financial institution's disposition of credits in the centralized trading market or the securities firm's business premises.
- (5) Investment in the mainland.
- (6) Engaged in derivatives trading.
- (7) Consolidation, division, acquisition or share transfer.

Article 16 The subsidiaries of the Company shall be handled in accordance with the following regulations:

- 1. Subsidiaries should also stipulate and implement the "Acquisition or Disposal of Assets Processing Procedures" in accordance with the relevant provisions of the "Public Issuance or Disposal of Assets Handling Guidelines".
- 2. If the subsidiary is not a publicly-issued company, the procedure shall be approved by the board of directors of the subsidiary, and the same shall apply to the amendment; in the case of a publicly-issued company, the procedure shall be determined in accordance with the "Guidelines for the Acquisition or Disposal of Assets by the Public Issuance Company" and the board of directors of the Company shall pass and submit the proposal to the shareholders' meeting for approval. The same shall apply to amendments.
- 3. If the subsidiary is not a publicly-issued company which obtains or disposes of the assets reaching the standard set by the "Public Issuance Company to Obtain or Dispose of Assets Management Guidelines", its parent company shall handle the announcement and declaration on behalf of the subsidiary.
- 4. In the announcement standard of the subsidiary company, the so-called "20% of the company's paid-up capital or 10% of the total assets" is based on the paid-in capital or total assets of the parent (the company).

Article 16-1 For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case

of a company whose shares have no par value or a par value other than NT\$10- for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.

Article 17 Penalty

If the employee of the Company undertakes to obtain and dispose of the assets in violation of the provisions of this procedure, it shall submit the assessment in accordance with the relevant provisions of the company, and shall be punished according to the circumstances.

Article 18 Implementation and revision

The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 19 Supplementary

If there are any outstanding issues in this processing procedure, it shall be handled in accordance with the relevant laws and regulations.

Appendix 8

Zeng Hsing Corporation Share Ownership of All Directors and Supervisors

- Article 1 The Company's paid-in capital was NT\$605,356,310, and the number of issued shares was 60,535,631 shares.
- Article 2 Pursuant to Article 26 of the Securities and Exchange Act, all directors shall hold a minimum of 4,842,850 shares, and all supervisors shall hold a minimum of 484,285 shares.
- Article 3 The number of shares held by the individual and all directors and supervisors recorded in the shareholders roster of the shareholders' meeting on the date of the current meeting are as follows:

Title	Name	Number of shares held	Remarks
Chairman	Chih-Cheng Lin	937,000	
Director	Shu-Cheng Liao	876,610	
Director	Jui-I Hung	1,945,760	
Director	Chong-Guang Tsai	655,527	
Director	Feng-Tzu Li	944,628	
Independent Director	Chih-Sheng Wu	0	
Independent Director	Ming-Liang Tang	0	
Independent Director	Chun-Ming Hsu	0	
Total shares held by all directors		5,359,525	

Title	Name	Number of shares held	Remarks
Supervisor	Po-Sung Chang	200,984	
Supervisor	Hui-Yu Huang	0	
Supervisor	Meng-Tsong Ho	1,065,673	
Total shares held by all supervisors		1,266,657	

Thank you for joining the shareholders' meeting,
Any suggestions and insights are welcome!