

Stock Code: 8039

TAIFLEX SCIENTIFIC CO., LTD.

2021 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA

Time: 9:00 a.m., May 25, 2021

Place: No.1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City

Notice to Readers

This English-version meeting agenda is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Table of Contents

I.	Meeting Procedures	1
II.	Meeting Agenda	2
III.	Report Items	3
IV.	Ratification Items	12
V.	Discussion Item	14
VI.	Election Item	15
VII.	Extempore Motions	15
VIII.	Meeting Adjourned.....	15
IX.	Attachment	
	(1) Independent Auditors' Report and 2020 Consolidated Financial Statements	16
	(2) Independent Auditors' Report and 2020 Parent Company Only Financial Statements	26
	(3) Comparison Table of Amendments to Articles of Incorporation	36
	(4) List of Independent Director Candidates	38
X.	Appendix	
	(1) Articles of Incorporation (Before Amendment).....	39
	(2) Rules of Procedure for Shareholders' Meeting	48
	(3) Director Election Procedures	53
	(4) Shareholdings of All Directors.....	56
XI.	Other Explanatory Items	57

TAIFLEX SCIENTIFIC CO., LTD.

Procedures of 2021 Annual Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Item
- VI. Election Item
- VII. Extempore Motions
- VIII. Meeting Adjourned

TAIFLEX SCIENTIFIC CO., LTD.

Agenda of 2021 Annual Shareholders' Meeting

Time: 9:00 a.m., May 25, 2021

Place: No.1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
 - 1. Appropriation of remuneration to directors and compensation to employees in 2020
 - 2. Business report for 2020
 - 3. Audit Committee's review report on the 2020 financial statements
 - 4. Execution status on the spin-off of the Company's advanced material operation to set up a wholly-owned subsidiary
- IV. Ratification Items
 - 1. 2020 financial statements
 - 2. Distribution of 2020 earnings
- V. Discussion Item: To amend the Articles of Incorporation
- VI. Election Item: A by-election for one independent director
- VII. Extempore Motions
- VIII. Meeting Adjourned

Report Items

Item 1 Appropriation of remuneration to directors and compensation to employees in 2020

- Explanation:
1. Pursuant to Article 28 of the Articles of Incorporation on the appropriation of remuneration to directors and compensation to employees, when the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to directors shall not be higher than four percent of the balance.
 2. The Company recognized NT\$75,524,170 and NT\$20,651,361 for compensation to employees and remuneration to directors, respectively, as expenses for the year ended December 31, 2020. The appropriation would be paid in cash form.
 3. This item was reviewed by the Compensation Committee and approved in the Board of Directors' meeting.

Item 2 Business report for 2020

Taiflex Scientific Co., Ltd.

Business Report for 2020

1. 2020 Operating Results

Net revenue of the Company amounted to NT\$8.77 billion in 2020, an increase of 15.6% from NT\$7.58 billion in 2019. Net income attributable to shareholders of the parent company came to NT\$773 million, up 22.5% year-over-year, with an earnings per share of NT\$3.70. 2020 was a volatile and challenging year, as COVID-19 unleashed drastic impacts on life styles and economic activities worldwide. Global GDP shrunk by 4.5% compared to 2019 due to the pandemic, and with the exception of China which maintained a positive growth of 2.3%, major economies plunged especially the advanced countries in Europe and America. To contain the spread of COVID-19, governments adopted a series of controls and restrictions on not only business activities, but also the freedom to social gathering, entertainment, shopping and even movements. Work from home (WFH) became the new work style which sparked surging demand for laptops, tablets and video equipment, and consequently led to a fast-growing need for electronic materials such as electronic components.

However, the booming demand on top of control measures imposed due to the pandemic posed significant challenges to the global supply chain. The substantial decrease in freight volume, restrictions at the ports, and shortage as well as extended lead time of key materials due to work suspension were all examples which tested corporations' responsiveness and speed of decision-making. Through appropriate and quick production planning as well as inventory adjustment strategies, our overall revenue increased against all odds. Moreover, persistent production optimization, enhanced production efficiency and tight control over operating expenses allowed us to prevail over adversities and lifted our gross margin from 22.93% to 23.71%. This was quite an accomplishment under the circumstances.

Looking at 2021, global economy is expected to return to normal by degrees with the successful rollout of vaccines for COVID-19. Nevertheless, variants of the virus and the swift control responses of each country still cast high level of uncertainty over the entire economy, and at the same time, as the relief packages are gradually scaled down, consumers' willingness to pay may also be affected. In addition, the European Central Bank and U.S. Federal Reserve continue to adopt unlimited quantitative easing monetary policy which puts pressure on New Taiwan dollars to appreciate. As a result, 2021 is still a challenging year for exporters. We will continue our focus on risk control so as to minimize losses from emergencies and maintain a sound supply capacity. We expect an upward trend in our overall operation through the launch of new products and the growth momentum stemming from 5G demand.

(1) Consolidated revenue and net income

(In Thousands of New Taiwan Dollars)

Item	2020	2019	Change (in Dollar Amount)	Change (in Percentage)
Net revenue	8,766,318	7,583,654	1,182,664	15.59%
Gross profit	2,078,573	1,739,138	339,435	19.52%
Net income	784,353	618,282	166,071	26.86%

(2) Profitability analysis

Item	2020	2019
Net profit margin	8.94%	8.15%
Return on assets	6.99%	5.43%
Return on shareholders' equity	10.50%	8.39%

(3) Directions of research and development: heading towards high value-added material industry

(a) Electronic materials

As electronic devices lean towards the trends of 5G mobile communication, compact, high efficiency, and energy saving, Taiflex has determined to invest R&D resources on three groups of products. They are materials featuring high frequency, high speed, and low latency to satisfy 5G transmission requirements; materials featuring high dimensional stability and low ion transport to satisfy system in package and fine line requirements; and unbalanced and thick copper materials to satisfy charging requirements. With a comprehensive product portfolio, we can fulfill customers' demands, offering total solutions with our core formula capabilities.

(b) Heat dissipation materials

While continuing to develop our existing electronic materials business, we utilize our core formulas and production capabilities to actively diversify the product lines. In light of demand brought about by high performance computing, we take part in heat dissipation materials and simultaneously search for opportunities to enter the automotive market in order to level out the volatility in the electronic industry.

(c) Semiconductor materials

Through a spin-off, Taiflex established Taichem Materials Co., Ltd. (Taichem Materials) in September 2020 to take charge of the Company's semiconductor material business. At present, the main products include laser release materials which are primarily used in the advanced packaging process as well as packaging materials for mini-LED and micro-LED. Our partners are prominent corporations and we are capable of customizing products with our independent research and development and formula technology. However, because of the prolonged process of obtaining certifications for semiconductor materials plus the higher barriers of entry, Taichem Materials is established to focus on aligning with customers' development schedules and further improve customer satisfaction. By enhancing our overall competitiveness, we create growth momentum for entering new industries in the future.

2. Overview of 2021 Business Plan

(1) Business policy

In 2021, global economy remains highly unpredictable due to COVID-19. In particular, the global supply chain is under constant threat of disruptions due to pandemic prevention measures adopted by each country. The consequent hikes in raw material prices, highly uncertain delivery schedules, increasing freight costs, shortage in freight volume and labor, and rising wages all force companies to confront the surging operational costs and risks. We

will reinforce our risk control mechanisms and improve management flexibility and decision-making speed to combat uncertainties in the pandemic-era. Foremost, we will increase supplier diversity and strengthen inventory strategies, allowing flexibility in global production deployment. At the same time, key materials will require dual certification and sourcing to lower the risk of factories shutdown or logistics disruption from a single area.

The adoption of large-scale quantitative easing by central banks in Europe and U.S. prompts hot money worldwide to pour into the stock and foreign exchange markets in Taiwan where the pandemic is well under control. This, and the fact that Taiwan markets are relatively small, place New Taiwan dollars under constant pressure to appreciate which consequently affects exporters' performance. Taiflex remains committed to mitigate the impact of New Taiwan dollar appreciation by employing strict hedging mechanisms and cost controls. Besides, we abide by conservative and prudent financial policies and maintain sufficient cash to adapt to changes in the economic environment. In addition to increasing our risk tolerance, we can quickly seize investment and growth opportunities.

As for the consumption market as a whole, although the overall smartphone sales have slowed down, the applications of new materials from 5G and surface phone growth still bring about brand-new high added-value growth opportunities to upstream material vendors. The growth momentum can only be sustained by companies in command of new designs and applications. We are recognized by international companies for our sustainable operating capacity and have maintained long-term partnerships. We continue to work closely together on the research and development of new materials in order to seize business opportunities from new applications.

Furthermore, in contrast to new designs and applications, cost competitiveness is the deciding factor in the traditional market. With our advantages in economies of scale plus excellent supply chain management ability, we can fulfill market demand with competitive cost structures, continue to expand our market share, and secure our leading position in the competition. ESG is another key issue for modern-day corporations and even a deciding factor on supplier selection for international corporations. Benefiting from being a long-term industry leader, we have sufficient resources to invest in aspects including environmental protection, social welfare and corporate governance. While fulfilling our corporate social responsibilities, we can ensure that we would pass inspections conducted by the competent authorities and international brands as well as maintain stable growth, thereby continue to create a sustainable enterprise for shareholders and employees.

(2) Sales forecast and basis

Electronics materials: the sales in 2021 is expected to increase slightly compared to 2020

Basis:

- (a) Although the successful development of vaccine may gradually contain the spread of COVID-19, the emerging variants and vaccine supply still cast uncertainties on the global economy. Thus, the degree of recovery in global consumption is expected to remain unclear. At the same time, supply risk remains in the supply chain under the influence of the pandemic. Therefore, we expect the growth momentum of demand for upstream materials as a whole to remain small.
- (b) The growth in the overall smartphone shipment has slowed down and the demand is mostly driven by replacement demand, i.e., replacing the traditional 4G smartphones with the emerging 5G or surface phones. The growth momentum is thus limited in terms of the entire market demand. We expect WFH-related demand to continue, however, the growth will be weaker compared to previous year as the base is higher.
- (c) In summary, we expect the market demand in 2021 to increase slightly compared to 2020. With complete product lines, reputable quality products and cost competitiveness, we will continue our growth in market share and drive up the sales volume of electronic materials.

(3) Key production and sales policies

- (a) Expand the supply capacity of Rudong production base to not only support the increasing demand for local production but also reduce the supply chain disruption risk at other production bases due to COVID-19.
- (b) Establish safety stock in the face of supply chain uncertainty. Set up an intelligence center and introduce advanced production-sales systems to closely monitor customer demand and swiftly adjust our production planning.
- (c) Build regional hubs for the vast sales regions in China. Accelerate inventory flows, reduce overall transportation costs as well as ensure on-time delivery during the pandemic via cost-efficient transportation routes and warehouse planning.
- (d) Expand the technical service team for end customers, take the lead in understanding final demand, and enhance the efficiency of product research and development.
- (e) Optimize product portfolio and pricing strategy, and enhance customer satisfaction as well as profitability.

3. Strategies for Future Developments

- (1) Expand the existing material formulas and precision manufacturing technology, and explore market opportunities to develop new business in pursue of long-term growth. Besides our existing electronic material business which will ride on the tide of 5G communication growth, we are expanding our operation to heat dissipation and semiconductor materials.
- (2) Create designs and develop upstream materials with end customers' input and couple them with our existing technology and advantages in economies of scale. We aim to stabilize and strengthen the overall supply chain connectivity as well as create high entry barriers for competitors.
- (3) Utilize the advantages of joint purchase and vertical integration for horizontal expansion of products wanted by customers through the vast sales network and customer base built by the Company. Provide lower-cost, high-efficient and one-stop shop services via self or cooperative development or agency.
- (4) Continue to systematize and rationalize workflows and carry out waste reduction measures in order to lower operation costs and increase work efficiency.

4. Impacts from External Competitions, Regulatory Compliance and Macro-environment

- (1) External competitions
 - (a) The slowing growth of smartphone sales and stagnant demand of existing products create potential risk of fiercer price competition in the future.
 - (b) Rapid changes in customers' demand compel the Company to innovate technologies and launch new products at a faster rate, leading to rising development cost. At the same time, broader gap between peak and low-season demand brings greater challenge to capacity flexibility and resource allocation capability.
 - (c) New-generation mobile communication technology will present fresh material applications and battle fields. On top of product quality which is the fundamental requirement, suppliers need to have an agile production capacity capable of meeting spikes in demand in order to compete with international corporations.
 - (d) Being the leading producer of FCCL in the Greater China Region, the Company has strong competitive advantages in supply chain relationships and economies of scale. In addition to cost competitiveness due to our scale, we can meet customers' demand in time during the peak season. Furthermore, we collaborate with companies in the supply chain to accelerate our progress in research and development in order to satisfy customers' desire for new products while at the same time assist them to seize the growth opportunities.

(2) Regulatory compliance

- (a) Allocation of company resources is directly linked with whether cross-strait bilateral investments are permissible by laws and regulations.
- (b) The new tax laws in China and the enhanced tax information flows worldwide will impact on both the enterprises' cross-strait strategies and the design of global value chain framework.
- (c) The rise of FTAs and various trade agreements will bring about tariff competitiveness and trade barriers. Enterprises need thorough planning and arrangement at production sites to maintain competitiveness in the international trade.

(3) Macro-environment

- (a) COVID-19's dual effects on consumption and production will bring severe uncertainties to market demand. Consequently, companies in the supply chain will face a high degree of uncertainty in terms of inventory levels, production schedules and delivery.
- (b) Easing monetary and financial support policies adopted by countries will result in soaring asset prices worldwide which drive up the raw materials prices. The simultaneous surge in costs of transportation and labor as well as appreciation of New Taiwan dollars pose enormous challenges to companies' cost control capability.
- (c) China's economic policy takes on structural adjustments and places greater emphasis on environmental issues. For operations in China, on top of escalating costs, the crux and competitive edge lay in having production conditions comply with the stricter environmental laws and regulations.
- (d) Our government has less participation in the popular regional integration agreements relative to other competing nations. The growing pressure on competing with Japan and South Korea as well as future challenges from Southeast Asia countries will put our global strategies to the test.

Looking back at 2020, COVID-19 had severe impact on humanity. It changed the way people live and work as well as business activities and brought about more risks to business operation. However, with outstanding risk management capacity, we seized the opportunities amid crises, strived to generate profits for shareholders and maintained momentum for operational growth.

Going forward, we will proactively implement a variety of operational and risk control measures, e.g., increase local purchases, adopt flexible stock optimization strategy for raw materials and products, optimize product structure, persistently carry out cost improvement and production efficiency enhancement as well as expense control, etc. to allow the Company better flexibility to

maneuver. In addition to mitigating the adverse effects of uncertainty, it is of greater importance for the Company to develop the capabilities to seize growth opportunities. 5G mobile communication is entering the high-growth stage and we are not going to miss the golden opportunity. Our pursue of a long-lasting competitive and sustainable operation model will continue in the quest for long-term optimization of shareholders' interests.

We will persistently strengthen our core competitiveness, invest research and development resources in advanced flexible electronics materials, heat dissipation materials and semiconductor materials, and work towards producing high-value products. We will also utilize our leading position in flexible materials to collaborate with customers in order to capture the driving forces of market growth and consolidate the foundation for sustainability.

Wishing all shareholders good health and prosperity!

Chairperson: Ta-Wen Sun

President: Zong-Han Jiang

Accounting Manager: Fang-Yi Xie

Item 3 Audit Committee's review report on the 2020 financial statements

Audit Committee's Review Report

To: 2021 Annual Shareholders' Meeting of Taiflex Scientific Co., Ltd.

The Board of Directors has prepared the business report, consolidated and parent company only financial statements and earning distribution proposal for the year ended December 31, 2020. Certified Public Accountants of Ernst & Young, Fang-Wun Li and Jheng-Chu Chen, were retained by the Board to audit the consolidated and parent company only financial statements and they have issued audit reports.

The above-mentioned business report, consolidated and parent company only financial statements and earning distribution have been reviewed and determined to be correct by the Audit Committee. We hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Taiflex Scientific Co., Ltd.

Chairman of the Audit Committee: Wen-I Lo

February 24, 2021

Item 4 Execution status on the spin-off of the Company's advanced material operation to set up a wholly-owned subsidiary

Explanation: For specialization and to enhance future operational developments, the Company spun off the former advanced material operation to set up a subsidiary, Taichem Materials Co., Ltd. The spin-off was a whale-minnow spin-off and the new subsidiary was 100% owned by the Company. Therefore, the transaction did not affect the book value per share nor the earnings per share calculated using the Company's consolidated financial statements. Taichem Materials Co., Ltd. was formally established on October 15, 2020. The spin-off was expected to enhance the Group's competitiveness and operation performance, thereby increase shareholders' equity.

Ratification Items

Item 1 (Proposed by the Board of Directors)

Subject: To ratify the 2020 financial statements

Explanation: 1. The 2020 business report and consolidated and parent company only financial statements, which were audited by Certified Public Accountants of Ernst & Young, Fang-Wun Li and Jheng-Chu Chen, were reviewed by the Audit Committee.
2. Please refer to Attachment I on page 16 to 25 and Attachment II on page 26 to 35 of this meeting agenda for the financial statements.
3. Please ratify the above-mentioned financial statements.

Resolution:

Item 2 (Proposed by the Board of Directors)

Subject: To ratify the distribution of 2020 earnings

Explanation: 1. The earnings available for distribution of NT\$3,288,151,825 is calculated by adding the unappropriated earnings from previous year of NT\$2,621,243,251, and the remeasurement of defined benefit plan transferred from retained earnings directly of NT\$28,176,259 to net income for 2020 of NT\$772,858,963, and appropriating 10% of the sum of net income and items, other than the net income, included in the current year's undistributed earnings, i.e. NT\$74,468,270, for legal capital reserve and NT\$3,305,860 for special capital reserve.
2. Dividends to shareholders:
Each common share holder will be entitled to receive a cash dividend of NT\$2.5

per share and the overall cash dividend amounts to NT\$522,799,230. Unappropriated earnings at the end of period of NT\$2,765,352,595, net of dividends, will be retained for distribution in later years. Earnings from 2020 will be distributed first. Cash dividends to be paid are rounded to the nearest dollar. Dividends of fractional dollar amount to an individual shareholder are transferred to the Employee Welfare Committee of the Company.

3. The earning distribution plan is calculated based on the number of outstanding shares as of the date on which the proposal is approved in the Board meeting. In the event that there are changes in the total number of outstanding shares due to exercise of employee stock options for common shares, capital increase by cash, stock buyback, or transfer or cancellation of treasury stocks and the dividend distribution rate is affected, the Chairperson is authorized to adjust the cash dividend to be distributed to each share based on the total amount of cash resolved to be distributed and the actual number of outstanding shares on the record date.
4. When the conditions for this earning distribution are changed due to amendments to laws or decisions of regulators, the Chairperson is authorized to take all necessary measures.
5. The 2020 earning distribution table is as follows:

Taiflex Scientific Co., Ltd.
2020 Earning Distribution Table

(In New Taiwan Dollars)

Item	Subtotal	Total	Note
Unappropriated earnings, beginning balance		2,621,243,251	
Add: Net income of 2020	772,858,963		
Less: Other comprehensive income (Remeasurement of defined benefit plan) (Note 1)	(28,176,259)		
Legal capital reserve (Note 2)	(74,468,270)		
Special capital reserve (Note 3)	(3,305,860)		
Distributable earnings		3,288,151,825	
Distribution item: (Note 4)			
Dividends to shareholders - cash	522,799,230		NT\$2.5 per share
Total distributed earnings		(522,799,230)	
Unappropriated earnings, ending balance		2,765,352,595	

Chairperson: Ta-Wen Sun

President: Zong-Han Jiang

Accounting Manager: Fang-Yi Xie

- (Note 1) The remeasurement of defined benefit plan under IAS 19 is transferred from retained earnings directly instead of through profit or loss account.
- (Note 2) In compliance with changes in the domestic accounting standards, when an entity appropriates legal capital reserve pursuant to Article 237 of the Company Act, the basis for the recognition is changed from net income to the sum of net income and items, other than the net income, included in the current year's undistributed earnings starting from the appropriation of 2019 earnings.
Legal capital reserve appropriated is calculated as follows: $(772,858,963 - 28,176,259) * 10\% = 74,468,270$
- (Note 3) In accordance with rules set by the Financial Supervisory Commission, when appropriating distributable earnings, the Company shall set aside a special reserve equal to other net deductions from shareholders' equity of the current year from the profit/loss of the current period and the undistributed earnings of the previous period. For other net deductions from shareholders' equity accumulated during previous periods, an equal amount shall be set aside from the undistributed earnings of the previous period, and the amount shall not be distributed. However, if the Company has already set aside special reserve according to the requirements in the preceding subparagraph, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity.
- (Note 4) The distribution item above is calculated pursuant to the Articles of Incorporation. The amount and percentage are calculated as follows:
Dividends to shareholders: Cash dividend of NT\$2.5 per share * 209,119,692 shares = NT\$522,799,230.

6. Please ratify the distribution of 2020 earnings.

Resolution:

Discussion Item

Subject: To amend the Company's "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation: 1. According to the Company Act, business categories engaged by a company shall be registered by their category codes assigned in the Table of Categories of Businesses by the central competent authority. For a company that has already been registered with business categories stated by words, it shall switch to codes in the Table of Categories of Businesses when applying to change its business categories. Therefore, the Company proposes to amend some articles within the "Articles of Incorporation".

2. Please refer to Attachment III on page 36 to 37 of this meeting agenda for the

Comparison Table of Amendments to “Articles of Incorporation”.

3. The draft amendment is submitted for discussion and approval.

Resolution:

Election Item

Subject: A by-election for one independent director (Proposed by the Board of Directors)

- Explanation:
1. Mr. Dun-Ren Zheng, a 9th-term independent director of the Company, resigned as independent director due to personal reason on March 17, 2021. A by-election for one independent director is proposed to be held.
 2. Pursuant to Article 192-1 of the Company Act, the election of independent director adopts the candidate nomination system. Shareholders shall elect from the list of candidates. The tenure of newly elected independent director starts right after the shareholders’ meeting, i.e., May 25, 2021 and expires on May 27, 2023.
 3. In compliance with the Articles of Incorporation, the election of independent directors adopts the candidate nomination system. Please refer to Attachment IV on page 38 of this meeting agenda for the List of Independent Director Candidates.
 4. Please hold the election.

Election result:

Extempore Motions

Meeting Adjourned

Attachment I Independent Auditors' Report and 2020 Consolidated Financial Statements

Independent Auditors' Report

To Taiflex Scientific Co., Ltd.

Audit opinion

We have audited the consolidated balance sheets of Taiflex Scientific Co., Ltd. and its subsidiaries (hereinafter referred to as "Taiflex Group") as of December 31, 2020 and 2019; and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial status of Taiflex Group as of December 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the 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 Taiflex 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 responsibilities in accordance with the Norm. 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 ones that were of most significance in our audit of the consolidated financial statements of Taiflex Group for the year ended December 31, 2020 based on our professional judgment. These matters have been covered during the audit of the overall consolidated financial statements and in forming the audit opinion. We will not express a separate opinion on these matters. Key audit matters to be communicated on the independent auditors' report are stated as follows:

1. Impairment of receivables

Net receivables generated from the selling of flexible copper-clad laminate and cover layer amounted to NT\$4,182,374 thousand and accounted for 37% of Taiflex Group's consolidated total assets as of December 31, 2020. Hence, it was considered a material item to the Group. Loss allowance for accounts receivables was measured at an amount equal to lifetime expected credit losses. As the measurement of expected credit losses involved judgment, analysis and estimation and the outcome would affect the net accounts receivables, the impairment of receivables was identified as a key audit matter.

Our audit procedures included, but not limited to, the assessment on the appropriateness of expected credit loss rate for receivables, i.e., tests on the effectiveness of internal control established by the management for receivables, random selection of customers for receivable confirmations, and verification of subsequent collections in order to assess the recoverability of receivables. We tested the accuracy of aging, analyzed changes in aging, and assessed the reasonableness of receivables with longer collection terms.

We also considered the appropriateness of disclosures on receivables and associated risks in Notes 5 and 6 to the consolidated financial statements.

2. Inventory valuation

As of December 31, 2020, net inventories of flexible copper-clad laminate and cover layer amounted to NT\$1,282,343 thousand; thus, it was a significant item to Taiflex Group. Due to uncertainties arising from rapid changes in product technologies, allowance for inventory obsolescence and valuation losses involved significant judgment of management. Hence, it was considered a key audit item.

Our audit procedures included, but not limited to, tests on the effectiveness of internal control established by the management for inventories, such as cost carryover of inventories, assessment on inventory status, evaluation on management's stocktaking plans, and on-site observation of stocktaking at major warehouses to ensure the quantities and conditions of inventories. We assessed the accuracy of inventory aging, analyzed movements in inventory aging, and considered the expected demand and market value of inventories. We evaluated management's analyses and assessments on obsolete inventories, including the estimations on the possibility of inventory realization and net realizable value, and tested whether the allowance for writing down inventories to their net realizable value was adequate.

We also considered the appropriateness of disclosures on inventories in Notes 5 and 6 to the consolidated financial statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRICs, and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Taiflex Group in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Taiflex Group or cease the operations, or has no realistic alternative but to do so.

Those charged with governance of Taiflex Group (including Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

We have utilized our professional judgment and maintained professional doubt when exercising auditing work according to the auditing standards generally accepted in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taiflex Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on Taiflex Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in Taiflex Group ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within Taiflex Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of Taiflex Group's consolidated financial statements for the year ended December 31, 2020. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Others

Taiflex Scientific Co., Ltd. has also prepared parent company only financial statements for the years ended December 31, 2020 and 2019, which we had audited and issued an unqualified opinion.

Ernst & Young, Taiwan

February 24, 2021

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020	December 31, 2019
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 1,793,632	\$ 2,584,521
Financial assets at fair value through profit or loss - current	4, 6(2)	29,832	38,131
Financial assets at amortized cost - current	4, 6(3)	138,719	49,000
Notes receivable, net	4, 6(4)	727,722	748,651
Accounts receivable, net	4, 6(5)	3,454,652	2,591,519
Other receivables		54,596	27,476
Inventories, net	4, 6(6)	1,282,343	938,566
Prepayments		77,403	127,932
Non-current assets held for sale	4, 6(7)	-	473,439
Other current assets	8	22,902	22,658
Total current assets		<u>7,581,801</u>	<u>7,601,893</u>
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(8)	-	-
Investments accounted for under the equity method	4, 6(9)	40,984	49,470
Property, plant and equipment	4, 6(10)	3,176,745	2,993,090
Right-of-use assets	4, 6(21)	380,857	379,444
Intangible assets	4, 6(11,13)	124,053	127,107
Deferred income tax assets	4, 6(24)	200,958	205,308
Other non-current assets	4, 6(12)	26,517	17,669
Total non-current assets		<u>3,950,114</u>	<u>3,772,088</u>
Total assets		<u>\$ 11,531,915</u>	<u>\$ 11,373,981</u>

(Continued)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS-(Continued)
December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2020	December 31, 2019
Current liabilities			
Short-term loans	6(14)	\$ 150,000	\$ 740,000
Financial liabilities at fair value through profit or loss - current	4, 6(15)	11,839	344
Contract liabilities - current	4, 6(19)	2,508	1,084
Notes payable		381	358
Accounts payable		1,747,887	833,240
Other payables		573,823	555,656
Current income tax liabilities	4, 6(24)	276,047	135,929
Lease liabilities - current	4, 6(21)	16,600	15,744
Current portion of long-term loans	6(16)	25,000	11,009
Other current liabilities		2,387	2,470
Total current liabilities		<u>2,806,472</u>	<u>2,295,834</u>
Non-current liabilities			
Long-term loans	6(16)	539,000	923,556
Deferred income tax liabilities	4, 6(24)	89,642	114,231
Lease liabilities - non-current	4, 6(21)	256,652	252,171
Net defined benefit liabilities - non-current	4, 6(17)	261,958	219,550
Other non-current liabilities	4, 12	255	216,029
Total non-current liabilities		<u>1,147,507</u>	<u>1,725,537</u>
Total liabilities		<u>3,953,979</u>	<u>4,021,371</u>
Equity attributable to shareholders of the parent			
Capital	6(18)		
Common stock		2,091,197	2,091,197
Capital surplus	6(18)	1,066,147	1,342,759
Retained earnings			
Legal capital reserve		939,900	882,821
Special capital reserve		230,993	166,117
Unappropriated earnings		3,365,926	2,994,142
Total retained earnings		<u>4,536,819</u>	<u>4,043,080</u>
Others	4	(234,299)	(230,993)
Total equity attributable to shareholders of the parent		<u>7,459,864</u>	<u>7,246,043</u>
Non-controlling interests	4, 6(18)	118,072	106,567
Total equity		<u>7,577,936</u>	<u>7,352,610</u>
Total liabilities and equity		<u>\$ 11,531,915</u>	<u>\$ 11,373,981</u>

(Concluded)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	Notes	2020	2019
Net revenue	4, 6(19)	\$ 8,766,318	\$ 7,583,654
Cost of revenue	4, 6(6)	(6,687,745)	(5,844,516)
Gross profit		<u>2,078,573</u>	<u>1,739,138</u>
Operating expenses	4, 6(22)		
Sales and marketing expenses		(417,547)	(374,759)
General and administrative expenses		(344,566)	(361,941)
Research and development expenses		(281,360)	(284,486)
Expected credit gains	6(20)	7,785	22,835
Total operating expenses		<u>(1,035,688)</u>	<u>(998,351)</u>
Operating income		<u>1,042,885</u>	<u>740,787</u>
Non-operating income and expenses	6(23)		
Interest income		7,881	14,961
Other income		21,519	216,025
Other gains and losses		(69,574)	(142,015)
Finance costs		(20,763)	(19,716)
Share of profit or loss of associates accounted for under the equity method	4, 6(9)	(16,151)	(17,588)
Total non-operating income and expenses		<u>(77,088)</u>	<u>51,667</u>
Income before income tax		965,797	792,454
Income tax expense	4, 6(24)	(181,444)	(174,172)
Net income of continuing operations		<u>784,353</u>	<u>618,282</u>
Net income		<u>784,353</u>	<u>618,282</u>
Other comprehensive income (loss)	6(23)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		(35,220)	(74,851)
Income tax related to items that will not be reclassified subsequently		7,044	14,970
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(4,119)	(81,400)
Income tax related to items that may be reclassified subsequently to profit or loss		824	16,279
Total other comprehensive income (loss), net of tax		<u>(31,471)</u>	<u>(125,002)</u>
Total comprehensive income		<u>\$ 752,882</u>	<u>\$ 493,280</u>
Net income attributable to:	4, 6(25)		
Shareholders of the parent		\$ 772,859	\$ 630,681
Non-controlling interests		11,494	(12,399)
		<u>\$ 784,353</u>	<u>\$ 618,282</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the parent		\$ 741,377	\$ 505,924
Non-controlling interests		11,505	(12,644)
		<u>\$ 752,882</u>	<u>\$ 493,280</u>
Earnings per share (NT\$)	4, 6(25)		
Earnings per share - basic		\$ 3.70	\$ 3.02
Earnings per share - diluted		\$ 3.67	\$ 3.00

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

Item	Equity Attributable to Shareholders of the Parent							Total	Non-Controlling Interests	Total Equity
	Retained Earnings					Others				
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value through Other Comprehensive Income			
Balance as of January 1, 2019	\$ 2,091,197	\$ 1,446,639	\$ 815,590	\$ 75,546	\$ 2,999,383	\$ (159,517)	\$ (6,600)	\$ 7,262,238	\$ 119,211	\$ 7,381,449
Appropriation and distribution of 2018 earnings										
Legal capital reserve			67,231		(67,231)			-		-
Special capital reserve				90,571	(90,571)			-		-
Cash dividends for common stocks					(418,239)			(418,239)		(418,239)
Changes in other capital surplus										
Adjustments to share of changes in equities of associates		680						680		680
Cash dividends from capital surplus		(104,560)						(104,560)		(104,560)
Net income for the year ended December 31, 2019					630,681			630,681	(12,399)	618,282
Other comprehensive income (loss) for the year ended December 31, 2019					(59,881)	(64,876)		(124,757)	(245)	(125,002)
Total comprehensive income	-	-	-	-	570,800	(64,876)	-	505,924	(12,644)	493,280
Balance as of December 31, 2019	\$ 2,091,197	\$ 1,342,759	\$ 882,821	\$ 166,117	\$ 2,994,142	\$ (224,393)	\$ (6,600)	\$ 7,246,043	\$ 106,567	\$ 7,352,610
Balance as of January 1, 2020	\$ 2,091,197	\$ 1,342,759	\$ 882,821	\$ 166,117	\$ 2,994,142	\$ (224,393)	\$ (6,600)	\$ 7,246,043	\$ 106,567	\$ 7,352,610
Appropriation and distribution of 2019 earnings										
Legal capital reserve			57,079		(57,079)			-		-
Special capital reserve				64,876	(64,876)			-		-
Cash dividends for common stocks					(250,944)			(250,944)		(250,944)
Changes in other capital surplus										
Adjustments to share of changes in equities of associates		(4,852)						(4,852)		(4,852)
Cash dividends from capital surplus		(271,855)						(271,855)		(271,855)
Changes in other capital surplus		95						95		95
Net income for the year ended December 31, 2020					772,859			772,859	11,494	784,353
Other comprehensive income (loss) for the year ended December 31, 2020					(28,176)	(3,306)		(31,482)	11	(31,471)
Total comprehensive income	-	-	-	-	744,683	(3,306)	-	741,377	11,505	752,882
Balance as of December 31, 2020	\$ 2,091,197	\$ 1,066,147	\$ 939,900	\$ 230,993	\$ 3,365,926	\$ (227,699)	\$ (6,600)	\$ 7,459,864	\$ 118,072	\$ 7,577,936

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 965,797	\$ 792,454
Adjustments:		
Non-cash income and expense items:		
Depreciation	314,135	325,804
Amortization	20,454	23,972
Expected credit gains	(7,785)	(22,835)
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	16,767	(12,226)
Interest expense	20,763	19,716
Interest income	(7,881)	(14,961)
Share of loss of associates accounted for under the equity method	16,151	17,588
(Gain) loss on disposal of property, plant and equipment	(1,133)	27,217
Gain on disposal of non-current assets held for sale	(32,022)	-
Impairment loss for non-financial assets	24,000	18,005
Others	15,875	(1,939)
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily at fair value through profit or loss	3,027	8,221
Decrease in notes receivable	20,929	469,368
(Increase) decrease in accounts receivable	(855,338)	1,108,045
(Increase) decrease in other receivables	(18,488)	25,837
(Increase) decrease in inventories	(359,299)	527,966
Decrease (increase) in prepayments	37,872	(45,315)
(Increase) decrease in other current assets	(194)	2,372
(Increase) decrease in other non-current assets	(1,384)	1,833
Increase (decrease) in contract liabilities	1,424	(1,288)
Increase (decrease) in notes payable	23	(65,414)
Increase (decrease) in accounts payable	914,647	(839,509)
Increase (decrease) in other payables	86,985	(108,648)
Increase (decrease) in other current liabilities	(83)	(3,592)
Increase in net defined benefit liabilities	7,188	6,276
Cash generated from operations	<u>1,182,430</u>	<u>2,258,947</u>
Interest received	7,877	16,253
Interest paid	(16,204)	(14,989)
Income tax paid	(41,040)	(266,383)
Net cash generated by operating activities	<u>1,133,063</u>	<u>1,993,828</u>

(Continued)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	\$ (89,719)	\$ (49,000)
Acquisition of investments accounted for under the equity method	(12,517)	(16,182)
Disposal of non-current assets held for sale	473,559	-
Acquisition of property, plant and equipment	(551,071)	(787,792)
Disposal of property, plant and equipment	1,277	18,310
Increase in refundable deposits	(8,723)	-
Decrease in refundable deposits	-	390
Acquisition of intangible assets	(15,773)	(25,839)
Increase in other current assets - other financial assets - current	(50)	-
Decrease in other current assets - other financial assets - current	-	382
Dividends received	-	1,444
Net cash used in investing activities	<u>(203,017)</u>	<u>(858,287)</u>
Cash flows from financing activities:		
Decrease in short-term loans	(590,000)	(622,054)
Increase in long-term loans	-	592,633
Repayment of long-term loans	(370,565)	-
Increase in guarantee deposits received	-	215,774
Decrease in guarantee deposits received	(215,774)	-
Increase in payables	95	-
Repayment of lease principal	(24,029)	(22,827)
Distribution of cash dividends	(522,799)	(522,799)
Net cash used in financing activities	<u>(1,723,072)</u>	<u>(359,273)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,137</u>	<u>(54,333)</u>
Net (decrease) increase in cash and cash equivalents	(790,889)	721,935
Cash and cash equivalents at beginning of period	2,584,521	1,862,586
Cash and cash equivalents at end of period	<u>\$ 1,793,632</u>	<u>\$ 2,584,521</u>

(Concluded)

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

Attachment II Independent Auditors' Report and 2020 Parent Company Only Financial Statements

Independent Auditors' Report

To Taiflex Scientific Co., Ltd.

Audit opinion

We have audited the parent company only balance sheets of Taiflex Scientific Co., Ltd. (hereinafter referred to as "Taiflex" or the "Company") as of December 31, 2020 and 2019; and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to parent company only financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the parent company only financial status of Taiflex as of December 31, 2020 and 2019, and its parent company only financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the 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 Taiflex in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with the Norm. 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 ones that were of most significance in our audit of the parent company only financial statements of Taiflex for the year ended December 31, 2020 based on our professional judgment. These matters have been covered during the audit of the overall parent company only financial statements and in forming the audit opinion. We will not express a separate opinion on these matters. Key audit matters to be communicated on the independent auditors' report are stated as follows:

1. Impairment of receivables

Net receivables generated from the selling of flexible copper-clad laminate and cover layer amounted to NT\$2,951,009 thousand and accounted for 27% of Taiflex's total assets as of December 31, 2020. Hence, it was considered a material item to the Company. Loss allowance for accounts receivables was measured at an amount equal to lifetime expected credit losses. As the measurement of expected credit losses involved judgment, analysis and estimation and the outcome would affect the net accounts receivables, the impairment of receivables was identified as a key audit matter.

Our audit procedures included, but not limited to, the assessment on the appropriateness of expected credit loss rate for receivables, i.e., tests on the effectiveness of internal control established by the management for receivables, random selection of customers for receivable confirmations, and verification of subsequent collections in order to assess the recoverability of receivables. We tested the accuracy of aging, analyzed changes in aging, and assessed the reasonableness of receivables with longer collection terms.

We also considered the appropriateness of disclosures on receivables and associated risks in Notes 5 and 6 to the parent company only financial statements.

2. Inventory valuation

As of December 31, 2020, net inventories of flexible copper-clad laminate and cover layer amounted to NT\$881,132 thousand; thus, it was a significant item to Taiflex. Due to uncertainties arising from rapid changes in product technologies, allowance for inventory obsolescence and valuation losses involved significant judgment of management. Hence, it was considered a key audit item.

Our audit procedures included, but not limited to, tests on the effectiveness of internal control established by the management for inventories, such as cost carryover of inventories, assessment on inventory status, evaluation on management's stocktaking plans, and on-site observation of stocktaking at major warehouses to ensure the quantities and conditions of inventories. We assessed the accuracy of inventory aging, analyzed movements in inventory aging, and considered the expected demand and market value of inventories. We evaluated management's analyses and assessments on obsolete inventories, including the estimations on the possibility of inventory realization and net realizable value, and tested whether the allowance for writing down inventories to their net realizable value was adequate.

We also considered the appropriateness of disclosures on inventories in Notes 5 and 6 to the parent company only financial statements.

Responsibilities of management and those charged with governance for the parent company only financial statements

The responsibilities of management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability of Taiflex in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Taiflex or cease the operations, or has no realistic alternative but to do so.

Those charged with governance of Taiflex (including Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have utilized our professional judgment and maintained professional doubt when exercising auditing work according to the auditing standards generally accepted in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taiflex's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on Taiflex's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in Taiflex ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within Taiflex Group to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit on those investees and the preparation of an audit opinion on the Group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of Taiflex's parent company only financial statements for the year ended December 31, 2020. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Ernst & Young

February 24, 2021

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020	December 31, 2019
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 1,207,757	\$ 1,678,502
Financial assets at fair value through profit or loss - current	4, 6(2)	29,832	38,131
Financial assets at amortized cost - current	4, 6(3)	138,719	49,000
Notes receivable, net	4, 6(4)	1,578	2,940
Accounts receivable, net	4, 6(5)	1,863,251	1,426,216
Accounts receivable – related parties	6(5), 7	1,086,180	1,068,051
Other receivables		42,862	18,878
Other receivables – related parties	7	125,657	459,778
Inventories, net	4, 6(6)	881,132	626,770
Prepayments		31,654	22,678
Other current assets	8	21,439	21,784
Total current assets		5,430,061	5,412,728
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(7)	-	-
Investments accounted for under the equity method	4, 6(8)	2,794,135	2,690,742
Property, plant and equipment	4, 6(9)	2,193,741	2,212,219
Right-of-use assets	4, 6(19)	251,158	259,165
Intangible assets	4, 6(10)	50,467	52,531
Deferred income tax assets	4, 6(22)	131,151	136,925
Other non-current assets	4, 6(11)	6,384	7,908
Total non-current assets		5,427,036	5,359,490
 Total assets		 \$ 10,857,097	 \$ 10,772,218

(Continued)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2020	December 31, 2019
Current liabilities			
Short-term loans	6(12)	\$ 150,000	\$ 670,000
Financial liabilities at fair value through profit or loss - current	4, 6(13)	11,294	278
Contract liabilities - current	4, 6(17)	492	-
Notes payable		12	-
Accounts payable		1,413,506	780,269
Accounts payable – related parties	7	11,091	3,092
Other payables		476,475	429,162
Other payables – related parties	7	18,497	21,194
Current income tax liabilities	4, 6(22)	266,652	128,071
Lease liabilities - current	4, 6(19)	10,554	11,058
Current portion of long-term loans	6(14)	25,000	-
Other current liabilities		1,981	1,962
Total current liabilities		<u>2,385,554</u>	<u>2,045,086</u>
Non-current liabilities			
Long-term loans	6(14)	415,630	900,000
Deferred income tax liabilities	4, 6(22)	89,607	111,415
Lease liabilities – non-current	4, 6(19)	244,484	250,124
Net defined benefit liabilities - non-current	4, 6(15)	261,958	219,550
Total non-current liabilities		<u>1,011,679</u>	<u>1,481,089</u>
Total liabilities		<u>3,397,233</u>	<u>3,526,175</u>
Equity			
Capital	6(16)		
Common stock		2,091,197	2,091,197
Capital surplus	6(16)	1,066,147	1,342,759
Retained earnings			
Legal capital reserve		939,900	882,821
Special capital reserve		230,993	166,117
Unappropriated earnings		3,365,926	2,994,142
Total retained earnings		<u>4,536,819</u>	<u>4,043,080</u>
Others	4	(234,299)	(230,993)
Total equity		<u>7,459,864</u>	<u>7,246,043</u>
Total liabilities and equity		<u>\$ 10,857,097</u>	<u>\$ 10,772,218</u>

(Concluded)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	Notes	2020	2019
Net revenue	4, 6(17), 7	\$ 7,491,041	\$ 6,919,495
Cost of revenue	4, 6(6), 6(20), 7	(5,703,657)	(5,195,358)
Gross profit		<u>1,787,384</u>	<u>1,724,137</u>
Unrealized sales profit or loss		(1,255)	2,035
Realized sales profit or loss		-	-
Gross profit, net		<u>1,786,129</u>	<u>1,726,172</u>
Operating expenses	4, 6(20)		
Sales and marketing expenses		(301,917)	(243,123)
General and administrative expenses		(257,229)	(244,327)
Research and development expenses		(260,938)	(265,762)
Expected credit gains	6(18)	7,669	20,629
Total operating expenses		<u>(812,415)</u>	<u>(732,583)</u>
Operating income		<u>973,714</u>	<u>993,589</u>
Non-operating income and expenses	6(21)		
Interest income		5,168	20,774
Other income		24,984	15,921
Other gains and losses		(116,375)	(90,544)
Finance costs		(15,318)	(17,114)
Share of profit or loss of subsidiaries and associates accounted for under the equity method	4, 6(8)	42,685	(139,902)
Total non-operating income and expenses		<u>(58,856)</u>	<u>(210,865)</u>
Income before income tax		914,858	782,724
Income tax expense	4, 6(22)	(141,999)	(152,043)
Net income of continuing operations		<u>772,859</u>	<u>630,681</u>
Net income		<u>772,859</u>	<u>630,681</u>
Other comprehensive income (loss)	6(21)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		(35,220)	(74,851)
Income tax related to items that will not be reclassified subsequently	6(22)	7,044	14,970
Items that may be reclassified subsequently to profit or loss	6(21)		
Exchange differences on translation of foreign operations		(4,132)	(81,094)
Income tax related to items that may be reclassified subsequently	6(22)	826	16,218
Total other comprehensive income (loss), net of tax		<u>(31,482)</u>	<u>(124,757)</u>
Total comprehensive income		<u>\$ 741,377</u>	<u>\$ 505,924</u>
Earnings per share (NT\$)	4, 6(23)		
Earnings per share - basic		<u>\$ 3.70</u>	<u>\$ 3.02</u>
Earnings per share - diluted		<u>\$ 3.67</u>	<u>\$ 3.00</u>

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	Retained Earnings					Others		Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2019	\$ 2,091,197	\$1,446,639	\$ 815,590	\$ 75,546	\$ 2,999,383	\$ (159,517)	\$ (6,600)	\$ 7,262,238
Appropriation and distribution of 2018 earnings								
Legal capital reserve			67,231		(67,231)			-
Special capital reserve				90,571	(90,571)			-
Cash dividends for common stocks					(418,239)			(418,239)
Changes in other capital surplus								
Adjustments to share of changes in equities of associates		680						680
Cash dividends from capital surplus		(104,560)						(104,560)
Net income for the year ended December 31, 2019					630,681			630,681
Other comprehensive income (loss) for the year ended December 31, 2019					(59,881)	(64,876)		(124,757)
Total comprehensive income	-	-	-	-	570,800	(64,876)	-	505,924
Balance as of December 31, 2019	<u>\$ 2,091,197</u>	<u>\$1,342,759</u>	<u>\$ 882,821</u>	<u>\$ 166,117</u>	<u>\$ 2,994,142</u>	<u>\$ (224,393)</u>	<u>\$ (6,600)</u>	<u>\$ 7,246,043</u>
Balance as of January 1, 2020	\$ 2,091,197	\$1,342,759	\$ 882,821	\$ 166,117	\$ 2,994,142	\$ (224,393)	\$ (6,600)	\$ 7,246,043
Appropriation and distribution of 2019 earnings								
Legal capital reserve			57,079		(57,079)			-
Special capital reserve				64,876	(64,876)			-
Cash dividends for common stocks					(250,944)			(250,944)
Changes in other capital surplus								
Adjustments to share of changes in equities of associates		(4,852)						(4,852)
Cash dividends from capital surplus		(271,855)						(271,855)
Changes in other capital surplus		95						95
Net income for the year ended December 31, 2020					772,859			772,859
Other comprehensive income (loss) for the year ended December 31, 2020					(28,176)	(3,306)		(31,482)
Total comprehensive income	-	-	-	-	744,683	(3,306)	-	741,377
Balance as of December 31, 2020	<u>\$ 2,091,197</u>	<u>\$1,066,147</u>	<u>\$ 939,900</u>	<u>\$ 230,993</u>	<u>\$ 3,365,926</u>	<u>\$ (227,699)</u>	<u>\$ (6,600)</u>	<u>\$ 7,459,864</u>

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 914,858	\$ 782,724
Adjustments:		
Non-cash income and expense items:		
Depreciation	271,091	248,306
Amortization	16,643	15,738
Expected credit gains	(7,669)	(20,629)
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	15,997	(12,395)
Interest expense	15,318	17,114
Interest income	(5,168)	(20,774)
Share of profit or loss of subsidiaries and associates accounted for under the equity method	(42,685)	139,902
Gain on disposal of property, plant and equipment	(35)	(1,481)
Impairment loss for non-financial assets	24,000	-
Others	18,605	39,867
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets mandatorily at fair value through profit or loss	4,640	(8,614)
Decrease in notes receivable	1,362	1,886
(Increase) decrease in accounts receivable	(429,366)	631,689
(Increase) decrease in accounts receivable – related parties	(18,129)	280,237
(Increase) decrease in other receivables	(23,980)	23,059
(Increase) decrease in other receivables – related parties	(82,545)	188,011
(Increase) decrease in inventories	(272,732)	185,487
(Increase) decrease in prepayments	(8,976)	4,909
Decrease in other current assets	395	1,989
Increase in contract liabilities	492	-
Increase (decrease) in notes payable	12	(65,419)
Increase (decrease) in accounts payable	633,237	(773,762)
Increase (decrease) in accounts payable – related parties	7,999	(23,842)
Increase (decrease) in other payables	59,099	(81,036)
Decrease in other payables – related parties	(2,697)	(10,567)
Increase (decrease) in other current liabilities	1,140	(6,880)
Increase in net defined benefit liabilities	7,188	6,276
Cash generated from operations	<u>1,098,094</u>	<u>1,541,795</u>
Interest received	5,164	22,066
Interest paid	(11,197)	(12,298)
Income tax paid	(11,582)	(239,553)
Net cash generated by operating activities	<u>1,080,479</u>	<u>1,312,010</u>

(Continued)

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	\$ (89,719)	\$ (49,000)
Acquisition of financial assets at fair value through profit or loss	(1,322)	-
Disposal of financial assets at fair value through profit or loss	-	1,523
Acquisition of investments accounted for under the equity method	(188,549)	(418,189)
Acquisition of property, plant and equipment	(300,415)	(380,898)
Disposal of property, plant and equipment	35	17,713
Increase in refundable deposits	-	(1,102)
Decrease in refundable deposits	1,524	-
Decrease in other receivables – related parties	416,666	581,577
Acquisition of intangible assets	(14,161)	(25,686)
Increase in other current assets - other financial assets	(50)	-
Decrease in other non-current assets	-	2,666
Dividends received	142,771	1,444
Net cash used in investing activities	<u>(33,220)</u>	<u>(269,952)</u>
Cash flows from financing activities:		
Decrease in short-term loans	(520,000)	(495,000)
Increase in long-term loans	-	605,000
Repayment of long-term loans	(459,370)	-
Decrease in payables	95	-
Repayment of lease principal	(15,930)	(15,812)
Distribution of cash dividends	(522,799)	(522,799)
Net cash used in financing activities	<u>(1,518,004)</u>	<u>(428,611)</u>
Net (decrease) increase in cash and cash equivalents	(470,745)	613,447
Cash and cash equivalents at beginning of period	<u>1,678,502</u>	<u>1,065,055</u>
Cash and cash equivalents at end of period	<u>\$ 1,207,757</u>	<u>\$ 1,678,502</u>

(Concluded)

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

Attachment III Comparison Table of Amendments to Articles of Incorporation

Articles	Before the amendment	After the amendment	Basis and reasons
Article 2	<p>The business scope of the Company is as follows:</p> <ol style="list-style-type: none"> 1. <u>Lead frame tape</u> 2. <u>LOC tape</u> 3. <u>TAB tape</u> 4. <u>UV-tape</u> 5. <u>Resin-coated copper clad laminate</u> 6. <u>Polymer film-based copper clad laminate</u> 7. CC01080 electronic parts and components manufacturing 8. F107170 wholesale of industrial catalyst 9. F107200 wholesale of chemistry raw material 10. F107990 wholesale of other chemical products 11. F119010 wholesale of electronic materials 12. F207170 retail sale of industrial catalyst 13. F207200 retail sale of chemistry raw material 14. F207990 retail sale of other chemical products 15. F219010 retail of electronic materials 16. ZZ99999 other businesses which are not prohibited or restricted by the laws, in addition to business approved 	<p>The business scope of the Company is as follows:</p> <ol style="list-style-type: none"> 1. CC01080 electronic parts and components manufacturing 2. F107170 wholesale of industrial catalyst 3. F107200 wholesale of chemistry raw material 4. F107990 wholesale of other chemical products 5. F119010 wholesale of electronic materials 6. F207170 retail sale of industrial catalyst 7. F207200 retail sale of chemistry raw material 8. F207990 retail sale of other chemical products 9. F219010 retail of electronic materials 10. ZZ99999 other businesses which are not prohibited or restricted by the laws, in addition to business approved 	Adopting the codes in the Table of Categories of Businesses
Article 34	<p>The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration.</p> <p>The first amendment was made on October 17, 1997.</p> <p>The second amendment was made on November 1, 1997.</p> <p>The third amendment was made on December 8, 1997.</p> <p>The fourth amendment was made on April 23, 1998.</p> <p>The fifth amendment was made on</p>	<p>The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration.</p> <p>The first amendment was made on October 17, 1997.</p> <p>The second amendment was made on November 1, 1997.</p> <p>The third amendment was made on December 8, 1997.</p> <p>The fourth amendment was made on April 23, 1998.</p> <p>The fifth amendment was made on</p>	To add the amendment date.

Articles	Before the amendment	After the amendment	Basis and reasons
	<p>March 6, 1999. The sixth amendment was made on April 15, 2000. The seventh amendment was made on April 14, 2001. The eighth amendment was made on June 21, 2002. The ninth amendment was made on May 26, 2003. The tenth amendment was made on May 28, 2004. The eleventh amendment was made on May 28, 2004. The twelfth amendment was made on June 17, 2005. The thirteenth amendment was made on June 17, 2005. The fourteenth amendment was made on August 28, 2006. The fifteenth amendment was made on May 9, 2007. The sixteenth amendment was made on June 3, 2008. The seventeenth amendment was made on June 18, 2010. The eighteenth amendment was made on June 9, 2011. The nineteenth amendment was made on June 13, 2012. The twentieth amendment was made on June 17, 2013. The twenty-first amendment was made on June 24, 2014. The twenty-second amendment was made on May 27, 2016. The twenty-third amendment was made on May 26, 2017. The twenty-fourth amendment was made on May 28, 2020.</p>	<p>March 6, 1999. The sixth amendment was made on April 15, 2000. The seventh amendment was made on April 14, 2001. The eighth amendment was made on June 21, 2002. The ninth amendment was made on May 26, 2003. The tenth amendment was made on May 28, 2004. The eleventh amendment was made on May 28, 2004. The twelfth amendment was made on June 17, 2005. The thirteenth amendment was made on June 17, 2005. The fourteenth amendment was made on August 28, 2006. The fifteenth amendment was made on May 9, 2007. The sixteenth amendment was made on June 3, 2008. The seventeenth amendment was made on June 18, 2010. The eighteenth amendment was made on June 9, 2011. The nineteenth amendment was made on June 13, 2012. The twentieth amendment was made on June 17, 2013. The twenty-first amendment was made on June 24, 2014. The twenty-second amendment was made on May 27, 2016. The twenty-third amendment was made on May 26, 2017. The twenty-fourth amendment was made on May 28, 2020. <u>The Twenty-fifth amendment was made on May 25, 2021.</u></p>	

Attachment IV List of Independent Director Candidates

Taiflex Scientific Co., Ltd.

List of Independent Director Candidates

Type	Name	Education	Work Experience	Name of the Government or Juristic Person Represented	Shareholding (Shares)
Independent Director	Yung-Shun Chuang	Honorary Ph.D., National Taiwan University of Science and Technology	<ul style="list-style-type: none"> ▪ Chairperson of AAEON Technology Inc. ▪ Chairperson of EverFocus Electronics Corporation ▪ Chairperson of ONYX Healthcare Inc. ▪ Director of MACHVISION Inc. ▪ Director of King Core Electronics Inc. ▪ Director of CHC Healthcare Group ▪ Director of Winmate Inc. ▪ Director of XAC Automation Corp. ▪ Director of AtechOEM Inc. ▪ Director of IBASE Technology Inc. ▪ Director of Litemax Electronics Inc. ▪ Independent Director of Top Union Electronics Corp. 	None	0

Appendix I Articles of Incorporation (before amendment)

Taiflex Scientific Co., Ltd. Articles of Incorporation

Chapter I General Provisions

Article 1 The Company is incorporated as a company limited by shares in accordance with the Company Act and is named TAIFLEX Scientific Co., Ltd. in the English language.

Article 2 The business scope of the Company is as follows:

1. Lead frame tape
2. LOC tape
3. TAB tape
4. UV-tape
5. Resin-coated copper clad laminate
6. Polymer film-based copper clad laminate
7. CC01080 electronic parts and components manufacturing
8. F107170 wholesale of industrial catalyst
9. F107200 wholesale of chemistry raw material
10. F107990 wholesale of other chemical products
11. F119010 wholesale of electronic materials
12. F207170 retail sale of industrial catalyst
13. F207200 retail sale of chemistry raw material
14. F207990 retail sale of other chemical products
15. F219010 retail of electronic materials
16. ZZ99999 other businesses which are not prohibited or restricted by the laws, in addition to business approved

Article 3 The Company has its head office in Kaohsiung City. The Company may, if necessary, set up branch offices domestically and abroad upon resolution of the Board of Directors and approval of competent authority.

Article 4 The Company may provide endorsement and guarantee for the outside parties due to business or investment needs.

Article 5 The total reinvestment of the Company shall not be limited to less than forty percent of paid-up capital as provided in Article 13 of the Company Act.

Chapter II Capital Stocks

- Article 6 The total amount of authorized capital stock of the Company is NT\$3,000,000,000, which is divided into 300,000,000 shares (including the technical shares of 3,000,000) at a par value of NT\$10 each. The Board of Directors is authorized to issue the unissued shares by multiple installments. The sum of NT\$150,000,000 may be divided into 15,000,000 shares at a par value of NT\$10 each and issued in a series of employees' stock options, prefer shares with subscription rights, or corporate bonds with subscription rights upon resolution of the Board of Directors.
- Article 7 Shares issued by the Company are exempted from printing. They shall be registered in the central securities depository and handled in accordance with the depository's rules.
- Article 8 Unless otherwise provided in relevant laws or regulations, affairs concerning shareholder services need to be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.
- Article 9 The transfer of shares shall be suspended sixty days before the general meeting of shareholders is held, thirty days before the special meeting of shareholders is held or five days before the base date on which the Company decides to distribute the dividend and bonus or other benefits.

Chapter III Shareholders' Meeting

- Article 10 The shareholders' meeting of the Company shall be classified into the following two types:
1. The general meeting shall be annually convened within six months from the end of each fiscal year.
 2. The special meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.
- Article 11 The Chairperson of the Board of Directors shall preside at the shareholders' meeting if the meeting is convened by the Board. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act. If the shareholders' meeting is convened by a person entitled to convene the meeting, the person shall preside at the meeting. When there are two or more persons entitled to convene, they shall elect a person from among themselves to preside at the meeting.

- Article 12 Written notices shall be sent to all shareholders thirty days prior to the general meeting and fifteen days prior to the special meeting. The notice shall specify the date, place and reasons to convene. Pursuant to relevant laws and regulations, the notice served to the shareholder who owns less than 1,000 shares of nominal stocks may be given in the form of a public announcement.
- Article 13 Shareholders who are unable to attend the shareholders' meeting may designate a proxy to attend the shareholders' meeting with a power of attorney indicating the scope of authority in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies.
- Article 13-1 When the Company convenes the shareholders' meeting, the shareholders may exercise their voting rights in writing or by electronic transmission. A shareholder who exercises his/her voting right in writing or by electronic transmission is deemed to have attended the shareholders' meeting in person. However, he/she shall be deemed to have waived his/her voting right in respect of any extemporaneous motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by such shareholders shall be handled according to Article 177-2 of the Company Act.
- Article 14 Shareholders are entitled to one vote for each share held. However, this shall not apply to circumstances restricted by laws and regulations nor shares with no voting rights.
- Article 15 The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of total number of issued shares. The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed or sealed with the chop of the Chairperson of the meeting. The meeting minutes shall be kept within the Company along with the signing booklet bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies.

Chapter IV Directors and Managers

- Article 16 The Company shall have seven to eleven directors who are elected from the shareholders with legal capacity to serve a term of three years. According to relevant laws and regulations, the directors may be eligible for re-election. The Company shall purchase liability insurances for compensation which the directors shall assume

within scope of practice during the term upon resolution of the Board of Directors' meeting.

Article 16-1 The number of independent directors within the number of directors in the preceding article shall be three at least and shall not be less than one-fifth of the total number of directors. The Company adopts the candidate nomination system described in Article 192-1 of the Company Act. Directors (including independent directors) of the Company shall be elected from the respective candidates of directors (including independent directors) nominated at the shareholders' meeting. The professional qualification, shareholding, concurrent serving restrictions, nomination and election methods of independent directors and other compliance issues shall be subject to the relevant regulations stipulated by the competent securities authority.

Each share has the same number of voting rights as the number of directors to be elected. The voting rights may all go to one candidate or be allocated to several candidates. The candidates with more voting rights shall be elected as directors. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.

Article 16-2 The Company establishes an audit committee in compliance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors and the number of committee members shall not be fewer than three. One of the members shall be the convener and at least one of them shall have accounting or financial expertise.

The provisions regarding supervisors in the Company Act, Securities and Exchange Act, and other laws and regulations shall apply mutatis mutandis to the audit committee.

Article 17 The Board of Directors is composed of directors. Their duties and responsibilities are listed below:

1. Prepare the business plan
2. Submit the profit distribution or deficit compensation proposal
3. Set forth the capital increase and reduction proposal
4. Formulate important articles and organizational regulations
5. Appoint and dismiss the general manager and manager
6. Establish and remove the branch offices
7. Compile the budget and final accounts

8. Perform other duties and responsibilities stipulated by the Company Act or resolved at the shareholders' meeting

Article 18 The directors shall elect a Chairperson from among themselves in the Board of Directors' meeting with the consent of majority of attending directors which represents more than two-third of all directors. A Vice Chairperson may be elected in the same manner. The Chairperson shall have the authority to represent the Company.

Article 19 Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson. All directors shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened via mail, e-mail or fax at a shorter period.

Article 20 The Chairperson shall preside at the Board of Directors' meeting. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act.

The directors shall attend the Board meeting in person. If a director is unable to attend the meeting for some reason, he/she shall authorize other director to stand proxy with a power of attorney indicating the scope of authority with reference to the subjects to be discussed at the meeting. No director may act as proxy for more than one other director. If a director lives abroad, he/she may authorize other shareholders in Taiwan to act as proxy in series of meetings with a written power of attorney. For Board meetings conducted through video-conferencing, a director who participates through video-conferencing is deemed to attend in person.

Article 20-1 Resolutions in a board meeting, unless otherwise stipulated in the Company Act, shall be adopted by the majority of attending directors which represents the majority of all directors.

Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the Chairperson of the meeting and the recorder and filed as an important document of the Company to be retained properly throughout the life of the Company. The preparation and distribution of the minutes may be conducted in electronic form.

Article 21 The Company establishes an audit committee in compliance with Article 14-4 of the Securities and Exchange Act (Act). The following items shall be approved by the majority of all audit committee members and submitted to the Board of Directors for resolutions without being subject to Article 14-3 of the Act:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment of procedures for material financial or business transactions, such as acquisition or disposal of assets, financial derivatives transactions, lending funds to other parties, and endorsement and guarantee, pursuant to Article 36-1 of the Act.
4. A matter of which the Director has a personal interest
5. A significant asset or derivatives transaction.
6. A significant fund lending, endorsement, or guarantee transaction.
7. Offering, issuance, or private placement of any equity-type securities.
8. Appointment, discharge or compensation of certified public accountants.
9. Appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matter so required by the Company or the competent authority.

Except for Subparagraph 10, all items in the preceding paragraph may be undertaken upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve, without being subject to the restrictions in the preceding paragraph. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board of Directors' meeting.

Paragraph 1 of Article 36 of the Act where financial reports shall be recognized by supervisors is not applicable to The Company.

The terms "All audit committee members" in Paragraph 1 and "total number of directors" in Paragraph 2 refer to ones that are currently holding those positions.

Article 22 The Compensation Committee would evaluate the involvement of directors (including the independent directors) in the business operation of the Company and their contributions to the Company, and make recommendations to the Board concerning their remuneration. The Board of Directors has been delegated to determine the remuneration based on the recommendations from the Compensation Committee with reference to the remuneration standard of the industry.

Article 23 The Company shall have several managers. The appointment, dismissal and remuneration of managers shall be subject to Article 29 of the Company Act.

Article 24 Directors shall exercise their powers pursuant to the resolutions adopted in the Board and shareholders' meetings. Moreover, the general manager shall carry out the

business activities of the Company in accordance with the resolutions of the Board meetings.

Chapter V Accounting

Article 25 The fiscal year of the Company shall be from January 1 to December 31 of the same year.

Article 26 Pursuant to Article 228 of the Company Act, the Board of Directors shall prepare the following documents after the end of each fiscal year and forward them to the audit committee for reviewing thirty days prior to the general meeting of shareholders before submitting them to the general meeting of shareholders for approval.

1. Business report
2. Financial statement
3. Profit distribution or deficit compensation proposal

Article 27 The distribution of dividend and bonus shall be based on the shareholding percentage of each shareholder.

Article 28 When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors shall not be higher than four percent of the balance.

The compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the directors shall be submitted to the shareholders' meeting.

However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors based on the above-mentioned ratios.

Article 28-1 Current year's earnings of the Company, if any, shall be distributed in the following order:

1. Taxes and dues
2. Deficit compensation
3. 10% of net profit as legal capital reserves. However, this shall not apply when the accumulated legal capital reserve has equaled the total capital of the Company.

4. Special capital reserve appropriated or reversed as stipulated by relevant laws and regulations or competent securities authority
5. For the remaining profits, if any, the Board of Directors shall draft a proposal for the distribution of bonus to shareholders and submit it to the Shareholders' meeting for resolution

Article 29 After taking into account the environment and development stage of the Company, the needs of capital in the future, long-term financial planning and shareholders' demand for cash, the Board of Directors shall draw up an earnings distribution proposal according to the distributable earnings calculated pursuant to Article 28-1 and submit it to the shareholders' meeting for approval. At least forty percent of the distributable earnings calculated shall be appropriated as shareholders' dividends. The cash dividend shall not be lower than 10 percent of the total dividends and shall be capped at 100 percent.

Article 30 The distribution of dividends shall be limited to shareholders recorded in the register of shareholders five days prior to the base date on which the dividend and bonus are distributed.

Chapter VI Additional Provisions

Article 31 The Company may provide guarantee to external parties in accordance with the regulations stipulated by the government.

Article 32 Rules governing the organization and the procedures of the Company shall be separately stipulated.

Article 33 Matters not set forth in the Articles of Incorporation shall be subject to the Company Act.

Article 34 The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration.

The first amendment was made on October 17, 1997.

The second amendment was made on November 1, 1997.

The third amendment was made on December 8, 1997.

The fourth amendment was made on April 23, 1998.

The fifth amendment was made on March 6, 1999.

The sixth amendment was made on April 15, 2000.

The seventh amendment was made on April 14, 2001.

The eighth amendment was made on June 21, 2002.
The ninth amendment was made on May 26, 2003.
The tenth amendment was made on May 28, 2004.
The eleventh amendment was made on May 28, 2004.
The twelfth amendment was made on June 17, 2005.
The thirteenth amendment was made on June 17, 2005.
The fourteenth amendment was made on August 28, 2006.
The fifteenth amendment was made on May 9, 2007.
The sixteenth amendment was made on June 3, 2008.
The seventeenth amendment was made on June 18, 2010.
The eighteenth amendment was made on June 9, 2011.
The nineteenth amendment was made on June 13, 2012.
The twentieth amendment was made on June 17, 2013.
The twenty-first amendment was made on June 24, 2014.
The twenty-second amendment was made on May 27, 2016.
The twenty-third amendment was made on May 26, 2017.
The twenty-fourth amendment was made on May 28, 2020.

TAIFLEX SCIENTIFIC CO., LTD.
Chairperson: SUN, TA-WEN

Appendix II Rules of Procedure for Shareholders' Meeting

Taiflex Scientific Co., Ltd. Rules of Procedure for Shareholders' Meeting

Article 1: The rules of procedures for shareholders' meeting of the Company shall conform to the provisions of the Rules unless otherwise stipulated in the applicable laws and regulations or Articles of Incorporation.

Article 2: The Company shall prepare the signing booklet for the attending shareholders or their appointed proxies (hereinafter referred to as "Shareholders") to sign in, or the attending Shareholders shall hand in the attendance cards in lieu of signing in. The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the Shareholders attending the shareholders' meeting. Where directors are to be elected, ballots shall also be provided. The Shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person only.

Article 3: The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the signing booklet or attendance card submitted plus the number of shares with voting rights exercised by correspondence or electronically.

Shares held by Shareholders with no voting rights shall not be included in the total number of issued shares with respect to resolutions of the shareholders' meeting.

Shareholders shall not participate in voting on agenda items of which they have a personal interest and may impair the interest of the Company, and shall not exercise the voting rights as proxy for other Shareholders.

The shares held by Shareholders with no voting rights under the preceding paragraph shall not be included in the calculation of voting rights of attending Shareholders.

With the exception of trust enterprises or shareholder service agents approved by the competent securities authority, when one person is appointed as proxy by two or more shareholders concurrently, the voting rights represented by such proxy shall not exceed 3 percentage of the voting rights represented by the total number of issues shares. The voting rights in excess of the percentage shall not be calculated.

Article 4: The shareholders' meeting shall be convened at the premises of the Company or an appropriate venue convenient for Shareholders to attend. The meeting shall begin no earlier than 9 a.m. or no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the venue and time of meeting.

Article 5: The shareholders' meeting is presided by the chairperson of the board of directors if convened by the board. If the chairperson is on leave or unable to exercise power, the vice chairperson of the board shall stand proxy. If there is no vice chairperson of the board or the vice chairperson is also on leave or unable to exercise power, the chairperson may appoint one of managing directors to stand proxy. If there is no managing director, the chairperson may appoint one director to stand proxy. If the chairperson does not appoint a proxy, the managing directors or directors shall elect one person from among themselves to preside at the meeting. If the shareholders' meeting is convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

Article 6: The Company may appoint designated attorneys, certified public accountants or related persons to attend the shareholders' meeting. The staff involved in the meeting affairs shall wear identification cards or armbands.

Article 7: The process of shareholders' meeting shall be tape-recorded or videotaped and kept for at least one year. If Shareholders file lawsuits pursuant to Article 189 of the Company Act, the recordings shall be kept until the lawsuit is concluded.

Article 8: The chairperson shall call the meeting to order at the scheduled time. When the majority of the total number of issued shares are not represented by the attending Shareholders, the chairperson may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements and the attending Shareholders do not represent one-third or more of the total number of issued shares, the chairperson shall announce the adjournment of meeting.

If the quorum is not met after two postponements as mentioned in the preceding paragraph, but one-third or more of the total number of issued shares are represented by the attending Shareholders, tentative resolutions may be made pursuant to Paragraph 1 of Article 175 of the Company Act. All Shareholders shall be notified of the tentative resolutions and the shareholders' meeting shall be convened within one month.

If the attending Shareholders represent majority of the total number of issued shares before the conclusion of meeting, the chairperson may resubmit the tentative resolutions for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: The board of directors shall set the meeting agenda if the shareholders' meeting is convened by the board of directors. Relevant proposals shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.

The above provisions apply mutatis mutandis to the shareholders' meeting convened by a party entitled to convene other than the board of directors.

The chairperson shall not announce adjournment of the meeting before completion of the agenda (including extraordinary motions) referred to in the two preceding paragraphs unless otherwise resolved at the shareholders' meeting. If the chairperson announces the adjournment in violation of the Rules, other members of the board shall promptly assist the attending Shareholders in electing a chairperson pursuant to the statutory procedures with the consent of the majority of voting rights represented by the attending Shareholders to continue the meeting.

After the meeting is adjourned, the Shareholders shall not elect another chairperson to continue the meeting at the original or other venue.

Article 10: Before speaking, the attending Shareholder shall complete the speaker's slip indicating the subject of speech, Shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chairperson.

If the attending Shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

When the attending Shareholder speaks, other Shareholders shall not interrupt the speech unless they are permitted by the chairperson and the speaking Shareholder. Otherwise, the chairperson shall stop such interruption.

Article 11: The Shareholder shall not make a speech concerning the same proposal for more than two times without the consent of chairperson, and the duration of each speech shall not exceed five minutes. If the Shareholders speaks in violation of the provisions or beyond the scope of agenda item, the chairperson may stop the speech.

Article 12: The attending Shareholders shall be obliged to abide by the meeting rules, obey the resolutions and maintain the order at the meeting place.

Article 13: When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.

If a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

Article 14: After the attending Shareholder has spoken, the chairperson may respond in person or appoint an appropriate person to respond.

Article 15: The chairperson shall give ample opportunity for explanation and discussion of the proposals and the amendments or extraordinary motions proposed by the Shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson shall announce the discussion closed and call for a vote. He/she shall also allow ample time for voting.

The proposal shall be deemed adopted if all attending Shareholders are solicited by the chairperson and no objection is voiced. Its validity is the same as voted by casting ballots.

Article 16: Shareholders are entitled to one vote for each share held, but the case shall not apply to restricted shares and non-voting shares specified in Paragraph 2 of Article 179 of the Company Act.

The ballot supervisors and ballot counters of proposal voting shall be appointed by the chairperson, but the ballot supervisors shall be Shareholders. The ballot counting shall be publicly conducted at the venue of shareholders' meeting. The voting results shall be announced at the meeting and recorded in the minutes.

Article 17: When the meeting is in progress, the chairperson may announce a break at his/her discretion. If force majeure events occur, the chairperson may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation. If the meeting venue becomes unavailable before meeting agenda (including extraordinary motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.

It may be resolved at the shareholders' meeting to defer or resume the meeting within five days pursuant to Article 182 of the Company Act.

Article 18: Unless otherwise provided in the Company Act and Articles of Incorporation, the adoption of resolution shall be approved by the majority of voting rights represented by the attending Shareholders.

Article 19: When there is an amendment or an alternative to a proposal, the chairperson shall present the amendment or alternative together with the original proposal and decide their voting orders. If one proposal among them has been adopted, the others shall be deemed overruled and no further voting is required.

Article 20: The chairperson shall direct the disciplinary officers (or security guards) to assist with order maintenance depending on meeting conditions. The disciplinary officers or security guards shall wear armbands marked “disciplinary officer” or identification cards while assisting with order maintenance on the site.

If the venue is equipped with public address system, the chairperson may stop Shareholders from making a speech through other devices.

If a Shareholder violates the Rules and defies the chairperson’s correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct the disciplinary officers or security guards to escort the Shareholder from the meeting.

Article 21: Any other matters not set forth in the Rules shall be subject to the Company Act, Articles of Incorporation and other applicable rules and regulations.

Article 22: The Rules and any amendment hereto shall take effect after adoption by the shareholders’ meeting.

The Rules were established on March 6, 1999.

The first amendment was made on June 21, 2002.

The second amendment was made on June 8, 2006.

The third amendment was made on June 17, 2013.

The fourth amendment was made on May 26, 2017.

The fifth amendment was made on May 28, 2020.

Appendix III Director Election Procedures

Taiflex Scientific Company Limited Director Election Procedures

Article 1: The Procedures are established in compliance with “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” for a fair, just and open election of directors.

Article 2: Except for matters regulated in applicable laws, such as the Company Act, or the Articles of Incorporation of the Company, the election of directors shall be in compliance with the Procedures.

Article 3: Board composition shall be taken into consideration for director election. Board members shall possess knowledge, skills and qualities necessary to carry out their duties. Abilities needed for each member are presented as follows:

1. Operational judgment
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industrial knowledge
6. International market perspective
7. Leadership
8. Decision-making

Article 4: Deleted

Article 5: The qualification and election of the Company’s independent directors shall be in compliance with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Article 6: (Deleted.)

Article 7: The directors of the Company are elected using the open-ballot, cumulative voting method. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons.

The independent and non-independent directors shall be elected simultaneously with the number of votes and elected directors calculated separately.

Article 8: The Company shall prepare the same number of ballots as directors to be elected and the number of voting rights shall be specified on the ballots, which would be distributed to shareholders attending the Shareholders' Meeting. The attendance card numbers may be used to replace the names of shareholders on the ballots.

Article 9: For the number of seats set forth in the Articles of Incorporation, the number of votes for independent and non-independent directors are calculated separately, and candidates who acquire more votes shall win the seats of independent and non-independent directors respectively. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified available seats, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the Chairperson shall draw lots on behalf of the candidate who is not present.

Article 9-1: More than half of the directors shall not have the following relationships:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 9-2: If the originally-elected directors fail to meet the conditions under Article 26-3 of the Securities and Exchange Act, the director receiving the lowest number of votes among those not meeting the conditions is not elected.

Article 10: Before the election, the Chairperson shall appoint several persons each to check and record the ballots. The persons to check the ballots have to be appointed from among the shareholders present. The ballot box used for voting shall be prepared by the Company or the Board and checked in public by the person to check the ballots before voting.

Article 11: If the candidate is a shareholder, voters shall fill in the "candidate" column with the candidate's name and shareholder number. If the candidate is not a shareholder of the Company, voters shall fill in the "candidate" column with the candidate's name and ID number. If the candidate is a government agency or a corporate shareholder, the "candidate" column shall be filled in with the full name of the government agency or the corporate shareholder or the full name and the name(s) of their representative(s). If there are multiple representatives, their names shall be filled in separately.

Article 12: If the ballot is missing, filled in incorrectly or modified, it will not be reissued or provided.

Article 13: Ballots shall be deemed void in any of the following circumstances:

1. Ballots not prepared by the Company's Board of Directors
2. Blank ballots
3. Illegible writing or modification

4. If the candidate is a shareholder, the name or shareholder number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder, the name or ID number of the candidate filled in the ballot is incorrect
5. Ballots with written characters or symbols in addition to candidate's name, shareholder number (ID number) and the number of votes cast for the candidate
6. The name of the candidates filled in the ballots being the same as another candidate's name and the shareholder number or ID number are not provided for identification

Article 14: The ballots shall be calculated during the meeting right after the vote casting and the results of the election for directors shall be announced by the Chairperson at the meeting.

Article 15: The Board will issue elected notices to elected directors.

Article 16: The Procedures were established on March 25, 2005 and became effective after approval at the shareholders' meeting, as would any revision thereof.

The first revision was made on June 8, 2006.

The second revision was made on May 9, 2007.

The third revision was made on May 26, 2017.

Appendix IV Shareholdings of All Directors

Taiflex Scientific Co., Ltd. Details on Shareholdings of All Directors

1. The table below lists the shareholdings of all directors on the register of shareholders as of the book closure date (March 26, 2021) for the 2021 annual shareholders' meeting.
2. The Company has issued 209,119,692 shares. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the percentage of issued shares held by all directors shall be at least 7.1729%.

Note: The Company has three independent directors. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares to be held shall be 80% of the amount stipulated in Paragraph 1 of Article 2.

Details on Shareholdings of All Directors on the Register of Shareholders as of the Book Closure Date

Title	Name	Shareholding
Chairperson Director	Qiao Mei Development Corporation Representative: Ta-Wen Sun	16,263,729
Director	Ching-Yi Chang	5,269,282
Director	Chein-Ming Hsu	0
Director	Fuding Investment Co., Ltd. Representative: Re-Zhang Lin	1,020,000
Director	Chun-Chi Lin	0
Director	Fu-Le Lin	296,249
Independent Director	Wen-I Lo	0
Independent Director	Dun-Ren Zheng (Note 1)	0
Independent Director	Shi-Chern Yen	0
Shareholdings of all directors		22,849,260

- Notes:
1. Mr. Dun-Ren Zheng, an independent director, resigned on March 17, 2021.
 2. The number of shares held by all directors are in compliance with percentages stipulated by laws and regulations.

Other Explanatory Items

Procedure regarding shareholder proposals of this shareholders' meeting

- Explanation:
1. Pursuant to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of a company may submit proposals for discussion at annual shareholders' meeting. Each shareholder can submit only one proposal, otherwise such proposals would not be included in the agenda.
 2. Shareholders can submit proposals for 2021 annual shareholders' meeting from March 19, 2021 to March 29, 2021. Relevant information has been released in the Market Observation Post System website in accordance with relevant laws.
 3. The Company did not receive any shareholder proposals.