Stock Code: 1218

Taisun Enterprise Co., Ltd.

2020 Annual Meeting of Shareholders

Procedure Handbook

Date: 9:00 am on May 21, 2020
Venue: No.6 Xinggong Road, Tianzhong Town, Zhanghua County
(Staff Training Center of the Company)

Contents

I. Meeting Procedure 01

II. Meeting Agenda 02

1. Management Presentation (Company Reports) 03
2. Proposals 07
3. Discussion 10
4. Questions and Motions 14

III. Attachments

1. **2019** Business Report 15
2. **2019** Audit Committee's Review Report 17
3. Independent Auditors' Report and Financial Statements 18
4. **2019** Profit Distribution Scheme 36
5. Comparison Table of Amendments to Provisions of the Company's Articles of Incorporation 37
6. Comparison Table of Amendments to Provisions of the Rules of Procedure for Shareholders' Meetings 39
7. Comparison Table of Amendments to Provisions of the Methods for the Election of Directors 45
8. Comparison Table of Amendment to Provisions of the Procedures for the Acquisition or Disposal of Assets 48

IV. Appendices

1. Articles of Association (Before Amendments) 49
2. Rules of Procedure of Shareholders' Meeting (Before Amendments) 55
3. Measures for the Election of Directors (Before Amendments) 57
4. Procedures for the Acquisition or Disposal of Assets (Before Amendments) 58
5. Shareholdings of All Directors 70

Taisun Enterprise Co., Ltd.

Procedure of 2020 Annual Meeting of Shareholders

1. Call Meeting to Order

2. Chairperson Remarks

3. Management Presentation (Company Reports)

4. Proposals

5. Discussion

6. Questions and Motions

7. Adjournment

Taisun Enterprise Co., Ltd.

Agenda of 2020 Annual Meeting of Shareholders

I. Time: 9:00 am on May 21 (Thursday), 2020

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

III. The Chairperson calls the meeting to order

IV. Chairperson Remarks

V. Management Presentation (Company Reports)

1. Report on the Company's business report in **2019**
2. Audit Committee's review report of **2019**
3. Report on the distribution of remuneration to employees and directors for **2019**
4. The motion presented by the shareholder is not in compliance with **Article 172 -1** of the Company Act and is excluded from the list of motions.

VI. Proposals

1. Adoption of 2019 business report and financial statements.
2. Adoption of 2019 profit distribution scheme.
3. Adoption of the change of the 2017 plan for new shares issuance of cash capital injection.

VII. Discussion

1. Amendments to the Company's Articles of Incorporation
2. Amendments to the Company's Rules of Procedure for Shareholders' Meetings
3. Amendments to the Company's Methods for the Directors Election.
4. Amendments to the Company's Procedures for the Acquisition or Disposal of Assets

VIII. Questions and Motions

IX. Adjournment

◎Management Presentation (Company Reports)

<Case 1>

Description: The Company’s 2019 business report.

Explanation: Please refer to pages 15 ~ 16 of this handbook for the Company's 2019 business report.

◎Management Presentation (Company Reports)

<Case 2>

Description: The Company's 2019 Audit Committee's Review Report.

Explanation:

(1) The Company's 2019 final accounts have been audited by the Audit Committee and the Audit Committee's Review Report has been issued accordingly.

(2) Please refer to page 17 of the handbook for the Audit Committee's Review Report.

◎Management Presentation (Company Reports)

<Case 3>

Description: The Company's distribution of remuneration to employees and directors for 2019 .

Explanation: According to the Articles of Incorporation, it is proposed to appropriate 5.5% or NT$37,382,826 as employees' remuneration and 4.5% or NT$30,585,949 as directors' remuneration; both will be distributed in cash, and there is no difference from the recognized amount.

◎Management Presentation (Company Reports)

<Case 4>

Description: the motion presented by the shareholder is not in compliance with Article 172 -1 of the Company Act and is excluded from the list of motions.

Explanation:

I. Motion presented by Shareholders Long Bon International Co., Ltd.

1. The motion denotes the "relieve of Peter Chan as Director, representative of institutional shareholder Shen Yang Investment Corporation Limited and Chairman from office", and also the request for "presenting the details of the consent and veto over the proposal of your company in private placement of capital from CUOC (Central Union Oil Corp.) including the procedure and the time to all shareholders", which is more than one assertion.
2. The said motion is in alleged defiance of the Company Act and other requirements, and also in defiance of the Article of Incorporation. The motion entails the negativity of "a motion cannot be resolved by the Shareholders Meeting" under Article 172-1 of the Company Act.
3. In other words, the motion covers "more than one assertions" and "cannot be resolved by the Shareholders Meeting", and is excluded from the list of motions pursuant to Article 172-1 of the Company Act.

II. Motion presented by institutional shareholder Baosheng Investment Co., Ltd.

1. The motion denotes "the discussion by the Shareholders Meeting for decision of whether the Board of Directors shall be dissolved before expiration pursuant to Article 199-1 of the Company Act", and also requests the Shareholders Meeting to call for "a session of Shareholders Meeting for the election of a new Board of Directors (including Independent Directors), which is more than one assertions.
2. The said motion is in alleged defiance of the Company Act and other requirements, and also in defiance of the Article of Incorporation. The motion entails the negativity of "a motion cannot be resolved by the Shareholders Meeting" under Article 172-1 of the Company Act.
3. In other words, the motion covers "more than one assertions" and "cannot be resolved by the Shareholders Meeting", and is excluded from the list of motions pursuant to Article 172-1 of the Company Act.

III. The two motions are not in compliance of Article 172-1 of the Company Act and excluded from the list of motions for discussion in the Annual Meeting of Shareholders.

◎Proposals

<Case 1>: Proposed by the Board of Directors

Description: Adoption of 2019 business report and financial statements.

Explanation:

(1) The Company's 2019 balance sheet, comprehensive income statement, statement of changes in equity, cash flow statement and consolidated financial statements have been audited by independent auditors and approved by the Board of Directors together with the business report on March 26, 2020, and are under the review of the Audit Committee. Please refer to pages 15 ~ 16 and 18 ~ 35 of this handbook.

(2) The case is herewith presented for adoption.

Resolution:

◎Proposals

<Case 2>: Proposed by the Board of Directors

Description: Adoption of 2019 profit distribution scheme.

Explanation:

(1) The Company's 2019 after-tax net profit is NT$582,073,235. Please refer to page 36 of this handbook for the profit distribution scheme.

(2) The case is herewith presented for adoption.

Resolution:

◎Proposals

<Case 3>: Proposed by the Board of Directors

Description: Adoption of the change of the 2017 plan for new shares issuance of cash capital injection.

Explanation:

(1) The Company's 2017 new shares from capital injection raised NT$2,390,607 thousand and NT$24,933 thousand was funded by the Company with its own funds or other ways, totaling NT$2,415,540 thousand. The purposes of these funds are to build factories, purchase machinery and equipment and repay bank loans. It is expected that the completion of the plan will enhance the growth momentum of production capacity profitability and strengthen the competitiveness of the Company.

(2) In the original plan, NT$471,110 thousand, NT$461,500 thousand and NT$1,482,930 thousand will be respectively invested, totaling NT$2,415,540 thousand to be used to meet the needs of building factory buildings, purchasing machinery and equipment and repaying bank loans. The NT$1,482,930 thousand to be used to repay bank loans has been completed in full according to the plan, and the NT$471,110 thousand and NT$461,500 thousand originally planned to be used to build factories and purchase machinery and equipment will be changed in the plan. Therefore, the first plan change is proposed in accordance with laws and regulations. After the board of directors passes the plan change proposal, it will be announced and submitted to the shareholders' meeting for ratification.

(3) The case is herewith presented for adoption.

Resolution:

◎Discussion

<Case 1>: Proposed by the Board of Directors

Description: Amendment to the Company's Articles of Incorporation

Explanation:

(1) In order to meet the needs of the Company's operations, it is proposed to amend the Company's Articles of Incorporation. Please refer to pages 37 ~ 38 of this handbook for the comparison table before and after the amendments.

(2) The case is herewith presented for discussion.

Resolution:

◎Discussion

<Case 2>: Proposed by the Board of Directors

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

Explanation:

(1) In accordance with the laws and regulations, it is proposed to amend the Company's Rules of Procedure for Shareholders' Meetings. Please refer to pages 39 ~ 44 of this handbook for the comparison table before and after the amendments.

(2) The case is herewith presented for discussion.

Resolution:

◎Discussion

<Case 3>: Proposed by the Board of Directors

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

Explanation:

(1) In accordance with the laws and regulations, it is proposed to amend the Company's Methods for Directors Election. Please refer to pages 45 ~ 47 of this handbook for the comparison table before and after the amendments.

(2) The case is herewith presented for discussion.

Resolution:

◎Discussion

<Case 4>: Proposed by the Board of Directors

Description: Amendments to the Company's Procedures for the Acquisition or Disposal of Assets

Explanation:

(1) In order to meet the needs of the Company's operation, it is proposed to amend the Company's Procedures of Acquisition or Disposal of Assets. Please refer to page 48 of this handbook for the comparison table before and after the amendments.

(2) The case is herewith presented for discussion.

Resolution:

◎Questions and Motions

◎Adjournment

Attachment 1

Taisun Enterprise Co., Ltd.

Business Report

1. 2019 Operating Results

1. Consolidated Revenue and Profit

The net consolidated operating income of the Company in 2019 was NT$8,000,584 thousand, an increase of NT$98,914 thousand compared with that in 2018; the net operating profit was NT$160,207 thousand, an increase of NT$69,871 thousand compared with that in 2018; the net profit after tax was NT$582,201 thousand, an increase of NT$117,519 thousand compared with that of the previous year. .

2. Consolidated Profitability Performance

Item	2019	2018
Gross profit margin	18.19%	18.12%
Net profit rate	7.28%	5.88%
Return on equity	8.96%	9.09%
Earnings per share	NT$1.2	NT$0.98

3. Business Policy

(1) Food Business

"Eight-Treasure Porridge" has been in the market for 33 years, and has been the number one in the market for many years. It is also one of the best-selling products in Taisun. In terms of marketing, it is presented by micro film in line with the trend of the times; its number of views has exceeded one million and it has gained the recollection and brand recognition of Eight-Treasure Porridge from the public. "Honey Herbal" is the most favorite summer tea for consumers which has been recognized by many young groups and successfully promoted the topicality via cooperation across different industries, and also love for the local culture and creating a local identity. "Cheers Bubble Water" is a fashionable bubble drink launched first by Taisun in the industry. Since its launch, it has created a war in the bubble water market. Cheers Bubble Water of Taisun is deeply loved by consumers and has the largest bubble water sales in Taiwan. As the market leader, Taisun has launched a series of new products this year to meet the different needs of consumers. "Tea Stall Street" is a joint development of Taisun with a famous hand-shake tea store. It is hoped that Taisun can combine the advantages from two sides to create a new blue ocean in the highly competitive beverage industry.

(2) Oil Business:

In terms of bulk oil, the international soybean market has been affected due to the trade friction between China and the United States. With the efforts of our professional purchasing team to keep abreast of the international market and changes in domestic supply and demand at any time, as well as our continuous production and marketing communication, and development of new channels and new products, our market share can still be maintained.

In terms of consumer oil products, "mustard oil" has always been the most popular and common choice for oil in Japan. In recent years, Taisun has spared no effort in promoting mustard oil. As a leading brand of mustard oil, Taisun will continue to emphasize health value and conform to the cooking habits for Taiwanese people. The brand concept of “ChefOil“ is to "perfectly meet all kinds of cooking temperatures required by consumers" and 3 the top oil products are launched according to different temperature ranges of low/medium/high. In both 2018 and 2019, it was selected as the only officially-designated oil for the evening banquet of Michelin Guide Taipei.

With the rise in health awareness, Taisun adheres to source management, ensures quality management in the raw materials production area and carries out production certification in line with international SQF. We continue to promote good brands for a reason and emphasize the core concepts of sustainable production, non-genetic modification and pure formula.

(3) Aquatic Feed Industry:

In addition to the implementation of the cost cutting policy, we improve production technology and equipment efficiency, strictly control every link and adhere to the concept of "quality and safety" in the face of rising processing costs. Besides, we are developing different niche markets to increase revenue and are starting to generate profit, a turnaround from the situation before.

Furthermore, the overall performance of our business in Taiwan has been growing steadily, the business performance of our business in mainland China has become more and more stable and our other investment enterprises have also made steady profit contributions. These are all achieved by adhering to our spirit of "marching forward" for goals.

2. 2020 Business Plan

1. Business Policy

(1) Expand capacity and upgrade automation.

(2) Develop new products and explore potential markets.

(3) Improve food safety and fulfill social responsibility.

2. Operating Objectives

(1) The oil business includes oil products and soybean powder and the sales volume is expected to be 242 thousand tons.
(2) The food business includes normal temperature and cold storage items, with an estimated sales volume of 15.15 million boxes.
(3) The aquatic business includes general and expanded materials, and the estimated sales volume is 21 thousand tons.

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

Chairman:  Manager:  Chief Accountant: 

Attachment 2

Taisun Enterprise Co., Ltd.

Audit Committee's Review Report

The Board of Directors have prepared and submitted the Company's 2019 business report, financial statements and profit distribution scheme. The financial statements have been audited and completed by Shi-Chin Chi and Cong-Che Chen, certified public accountants of KPMG, and an audit report has been issued accordingly. The above-mentioned business report, financial statements and profit distribution scheme have not been found to be inconsistent after the audit by this Audit Committee, therefore we have prepared the report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To

The Company's 2019 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee: 

March 26, 2020

Attachment 3

INDEPENDENT AUDITORS' REPORT

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

Audit Opinion

We have audited the balance sheet of Taisun Enterprise Co., Ltd. as of December 31, 2019 and 2018, and the comprehensive income statement, statement of changes in equity and cash flow statement of 2019 and 2018 from January 1 to December 31, as well as the notes to the individual financial statements (including the summary of significant accounting policies).

In our opinion, which is based on our audit results and the audit reports of other accountants (please refer to Other Matters), the individual financial statements above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all major aspects and are sufficient to properly express the financial status of Taisun Enterprise Co., Ltd. as of December 31, 2019 and 2018 and the financial performance and cash flow of 2019 and 2018 from January 1 to December 31.

Basis of Our Audit Opinion

The audit is conducted in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accounts and the auditing standards generally accepted in the Republic of China Our responsibility under these standards is further explained in the responsibility section of the audited individual financial statements. We are subject to the code of independence of the accounting firm that we belong to, have maintained our independence from Taisun Enterprise Co., Ltd. in accordance with the code of professional ethics for accountants, and have fulfilled other responsibilities of the code. Based on our audit results and the audit reports of other accountants, we believe that we have obtained sufficient and appropriate audit evidence as the basis for expressing the audit opinion.

Key Audit Items

Key audit items refer to the most important items in the audit of the individual financial statements of Taisun Enterprise Co., Ltd. for 2019 based on our professional judgment. These items have been reflected in the process of auditing the consolidated financial statements as a whole and the process of forming the audit opinion. We do not express our opinion on these items separately. In our judgment, the key audit items to be communicated in the audit report are as follows:

1. Revenue Recognition

Please refer to note 4(18) on the revenue recognition in the individual financial statements for the

details of accounting policies related to revenue recognition; please refer to note 6(19) on the customer contract revenue in the individual financial statements for the details of revenue.

Description of the Key Audit Item:

The main business items of Taisun Enterprise Co., Ltd. are manufacturing, processing and trading of beverages, oils and feedstuff. The trading conditions stipulated in the trading contracts signed with customers will affect whether or not the time point of revenue recognition judged by Taisun Enterprise Co., Ltd. meets the accounting principle of transferring the control to the buyer. When the control of products has not been transferred to the customer but the revenue is recognized, there is the risk of improper revenue recognition. Therefore, the test of revenue recognition is one of the important evaluation items for us to perform the audit of individual financial statements of Taisun Enterprise Co., Ltd.

Audit Procedures in Response:

Our main audit procedures for the above-mentioned key audit item include understanding the sales system of Taisun Enterprise Co., Ltd., such as the products, sales channels, sales targets, etc. checking the sales contracts of the main trading partners and interviewing for the control methods of the internal control system of the Taisun Group on the operating process of shipping and revenue recognition.

We have checked the records of delivery and revenue recognition of Taisun Enterprise Co., Ltd. for 2019, and selected the delivery of goods in a period before and after the balance sheet date, and checked various vouchers and forms to determine whether or not the sales revenue has been recognized in the financial statement period.

We have also evaluated the appropriateness of the disclosure of income by Taisun Enterprise Co., Ltd.

2. Evaluation of Accounts Receivable

Please refer to note 4(6) on the financial instruments in the individual financial statements for detailed accounting policies related to the evaluation of accounts receivable; please refer to note 5(1) to the individual financial statements for detailed accounting estimates and assumption uncertainties related to the evaluation of accounts receivable; please refer to note 6(4) of the individual financial statements for detailed description of evaluation of accounts receivable.

Description of the Key Audit Item:

The amount of accounts receivable of Taisun Enterprise Co., Ltd. is relatively high, and the Company management's judgment of the possibility of accounts receivable recovery involves significant subjective judgment. Therefore, the evaluation of accounts receivable is one of the important evaluation items for us to perform the audit of individual financial statements of Taisun Enterprise Co., Ltd.

Audit Procedures in Response:

Our main audit procedures for the above-mentioned key audit items include obtaining the evaluation policy of overdue accounts receivable, understanding the recent economic and customer credit status of the industry and the historical collection records of previous years, assessing the management's assumptions on the allowance evaluation, analyzing and testing the correctness of the aging analysis table of accounts receivable, checking the collection after the period, etc. to evaluate the reasonableness of the Company's amount of loss provisions for accounts receivable.

We also evaluate the appropriateness of the disclosure items of Taisun Enterprise Co., Ltd. for the evaluation of its accounts receivable.

3. Inventory Evaluation

For accounting policies related to inventory evaluation, please refer to note 4(7) Inventory of the consolidated financial statements; for uncertainty of accounting estimation and assumption for inventory evaluation, please refer to note 5(2) of the consolidated financial statements; for description of inventory falling price and sluggish loss, please refer to note 6(6) Inventory of the consolidated financial statements.

Description of the Key Audit Item:

The inventory of Taisun Enterprise Co., Ltd. is an important asset of the Company's operations and the evaluation of the inventory and whether or not the products are sluggish may have an impact from the market prosperity fluctuation. Therefore, the test of inventory evaluation is one of the important evaluation items for the accountant in preparing the individual financial report of Taisun Enterprise Co., Ltd.

Audit Procedures in Response:

The accountant relies on the nature of the goods to check the correctness of the inventory age report by sampling, and to assess the reasonableness of the proportion of the management's provision for the dead inventory; and to check the latest sales price of the inventory and to consider whether the rate of change in selling expenses arising from the sales is reasonable, so as to assess whether the management's provision for the impairment loss is appropriate.

We also assess the appropriateness of disclosure of inventory allowance information by Taisun Enterprise Co., Ltd.

Other Matters

In Taisun Enterprise Co., Ltd.'s investment under the equity method, some of the investment on the financial statements under equity method have not been audited by us, but by other accountants. Therefore, in our opinion on the above individual financial statements, the amounts listed in the financial statements of these investee companies are based on the audit report of other accountants. As of December 31, in 2019 and 2018, the amount of investment under equity method adopted by these investees accounted for 36.73% and 36.66% of the total assets, respectively. The shares of income of the subsidiaries and affiliated enterprises under equity method from January 1 to December 31, 2019 and 2018 accounted for 71.92% and 76.17% of the net profit before tax respectively.

Responsibilities of the Management and Governance Unit for Individual Financial Statements

The management is responsible for the preparation of properly expressed individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and responsible for maintaining the necessary internal control related to the preparation of individual financial statements, so as to ensure that there is no material misrepresentation in individual financial statements due to fraud or error.

In the preparation of the individual financial statements, the management's responsibilities include the assessment of the ability of Taisun Enterprise Co., Ltd to continue to operate, the disclosure of relevant matters and the adoption of the accounting basis for continuing operations, unless the management intends to liquidate or suspend the business of Taisun Enterprise Co., Ltd., or there is no

practical plan other than liquidation or suspension of business.

The governance unit (including the audit committee) of Taisun Enterprise Co., Ltd**.** is responsible for supervising the financial reporting process.

The Accountants' Responsibility for Auditing Individual Financial Statements

The purpose of our audit of the individual financial statements is to obtain reasonable assurance as to whether or not the individual financial statements as a whole contain any material untruthful expressions resulting from fraud or error and to issue an audit report. Reasonable assurance means a high degree of assurance, but an audit conducted in accordance with Generally Accepted Auditing Standards cannot guarantee that significant misrepresentations in the individual financial statements will be detected. Misrepresentations may be due to fraud or error. An individual or consolidated amount that is misrepresented is considered significant if it can be reasonably expected to affect the economic decisions made by the users of the individual financial statements.

When auditing in accordance with Generally Accepted Auditing Standards, we used professional judgment and kept professional suspicion. We also performed the following tasks:

1. Identifying and assessing the risks of material misrepresentations of the individual financial statements due to fraud or error, designing and implementing appropriate countermeasures for the assessed risks, and obtaining sufficient and appropriate audit evidence as the basis of audit opinions. Because fraud may involve collusion, forgery, intentional omission, false statement or internal control overstepping, the risk of not detecting material misrepresentation caused by fraud is higher than that caused by error.
2. Acquiring the necessary understanding of the internal control system related to the audit, so as to design appropriate audit procedures at that time, but the purpose is not to express opinions on the effectiveness of internal controls of Taisun Enterprise Co., Ltd..
3. Evaluating the appropriateness of accounting policies adopted by the management, as well as the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, making a conclusion on the appropriateness of the accounting basis for continuing operations adopted by the management, and whether there is significant uncertainty in an event or situation that may cause significant doubt about the ability of Taisun Enterprise Co., Ltd. to continue operations. If we are of the opinion that there is significant uncertainty in such an event or situation, we shall in the audit report remind the users of the individual financial statements to pay attention to the relevant disclosure in the individual financial statements, or amend our audit opinion when such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained as of the audit report date. However, future events or circumstances may cause Taisun Enterprise Co., Ltd. to no longer have the ability to continue to operate.
5. Evaluating the overall presentation, structure and content of the individual financial statements (including related notes), and whether the individual financial statements properly express related transactions and events.
6. Obtaining sufficient and appropriate audit evidence for the financial information of the investees under equity method, in order to express opinions on the individual financial statements. We are responsible for the guidance, supervision and implementation of the Group's audit case, and for forming audit opinions on the Group.

Matters communicated between us and the governance unit include the planned audit scope and time and major audit findings (including significant lack of internal control identified in the audit process).

We also provided the governance unit with the statement that the persons involved who are subject to the independence standard of our accounting firm have complied with the professional ethics of accountants, and communicated with the governance unit all relations and other matters (including relevant protective measures) that may affect our independence.

We determined the key audit items for the audit of the individual financial statements of Taisun Enterprise Co., Ltd. in 2019 from the matters communicated with the governance unit. We have stated such matters in the audit report, unless it is prohibited by law to disclose specific matters publicly, or in rare cases, we decide not to communicate specific matters in the audit report as it can be reasonably expected that the negative impact of such communication will be greater than the public interest promoted.

KPMG

Accounts: 

Approval Certificate No. of Securities Authority : Jin-Guan-Cheng-Shen No. 1020000737
Jin-Guan-Cheng-Shen No. 1000011652
March 26, 2020

Taisun Enterprise Co., Ltd.

Balance Sheet

December 31, 2019 and 12018

Unit: NT$ thousand

	Assets	108.12.31 Amount	%	107.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(1))	$ 886,133	10	1,022,956	12
1110	Financial assets at fair value through income statement - current (note 6(2))	67,384	1	52,930	1
1150	Net notes receivable (note 6(4))	94,996	1	92,094	1
1160	Notes receivable - net amount of related parties (notes 6(4) and 7)	2,344	-	201,975	3
1170	Net accounts receivable (note 6(4))	313,791	4	280,613	4
1180	Accounts receivable - net amount of related parties (notes 6(4) and 7)	603,687	7	441,954	5
1200	Other receivables (note 6(5))	3,453	-	3,193	-
1210	Other receivables - related parties (notes 6(5) and 7)	108,878	1	160,358	2
1310	Inventory - manufacturing (note 6(6))	641,815	7	570,830	7
1400	Biological assets - current	14,589	-	14,331	-
1421	Advance payment for goods	179,084	2	189,059	2
1429	Other pre-payments	30,682	-	19,678	-
1460	Non-current assets for sale (net) (note 6(7))	-	-	44,892	1
1476	Other financial assets - current (notes 6(1) and 8)	286,007	3	4,610	-
1479	Other current assets - other	11,477	-	15,093	-
		3,244,320	36	3,114,566	38
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income – non-current (note 6(3))	44,803	1	35,082	-
1550	Investment at equity (note 6(8))	3,454,106	40	3,282,334	39
1600	Property, plant and equipment (notes 6(9) and 8)	1,427,406	17	1,382,914	16
1760	Net amount of investment property (note 6(10))	538,817	6	540,196	7
1780	Intangible assets	6,911	-	9,998	-
1830	Biological assets – non-current	6,691	-	5,746	-
1840	Deferred income tax assets (note 6(16))	11,882	-	11,882	-
1980	Other financial assets – non-current	8,158	-	5,525	-
		5,498,774	64	5,273,677	62
	Total assets	**$ 8,743,094**	**100**	**8,388,243**	**100**

	Liabilities and owners' equity	108.12.31 Amount	%	107.12.31 Amount	%
	Current liabilities:				
2100	Short term borrowings (note 6(11))	$ 272,609	3	50,000	1
2110	Short term notes payable (note 6(12))	100,000	1	730,000	9
2120	Financial liabilities at fair value through income statement - current (note 6(2))	1,451	-	660	-
2150	Notes payable	1,897	-	67,435	1
2170	Accounts payable (note 7)	398,360	4	244,597	3
2200	Other payables (notes 6(15) and 7)	334,407	4	251,599	3
2230	Current income tax liabilities (note 6(16))	29,123	-	-	-
2322	Long term loans due within one year or one business cycle (note 6(13))	75,000	1	260,248	3
2399	Other current liabilities - other	15,359	-	12,980	-
		1,228,206	13	1,617,519	20
	Non-current liabilities:				
2540	Long term borrowings (note 6(13))	687,500	8	112,500	1
2570	Deferred income tax liabilities (note 6(16))	222,537	3	222,537	3
2640	Net defined benefit liabilities – non-current (note 6(15))	1,447	-	31,565	-
2670	Other non-current liabilities - other	3,516	-	6,681	-
		915,000	11	373,283	4
	Total liabilities	2,143,206	24	1,990,802	24
	Other non-current liabilities - other				
3110	Common stock capital	4,999,990	57	4,999,990	59
3200	Additional paid-in capital	961,786	11	950,900	11
	Retained earnings:				
3310	Legal reserve	69,197	1	22,752	-
3320	Special reserve	240,776	3	240,776	3
3350	Undistributed earnings	639,083	7	511,282	6
3400	Other owners' equity	(107,068)	(1)	(124,383)	(1)
3500	Treasury stocks	(203,876)	(2)	(203,876)	(2)
	Total owners' equity	6,599,888	76	6,397,441	76
	Total liabilities and owners' equity	**$ 8,743,094**	**100**	**8,388,243**	**100**

Chairman: Peter Chan Manager: Fred Chan Accounting Director: Gu-Long Yan

Taisun Enterprise Co., Ltd.
Comprehensive Income Statement
December 31, 2019 and 12018

Unit: NT$ thousand

		2019		2018	
		Amount	%	Amount	%
4000	**Operating income (note 6(19) and 7)**	$ 6,837,543	100	6,813,636	100
5000	**Operating costs (notes 6(6) and 7)**	5,829,458	85	5,812,908	85
5910	Less: unrealized sales income	15,196	-	15,939	-
5920	Plus: realized sales income	15,939	-	13,613	-
5900	**Operating margin**	1,008,828	15	998,402	15
6000	**Operating expenses (notes 6(4), (14), (15), (20) and 7):**				
6100	Selling expenses	581,392	9	607,345	9
6200	Management fees	307,762	5	309,271	5
6450	Expected credit impairment loss	2,500	-	16,481	-
	Total operating expenses	891,654	14	933,097	14
6900	**Net operating profit**	117,174	1	65,305	1
7000	**Non-operating income and expenditure:**				
7020	Other benefits and losses (note 6(21))	32,332	-	52,707	1
7050	Financial cost (note 6(21))	(17,247)	-	(24,437)	-
7070	Share of profit and loss of subsidiaries and affiliated enterprises under equity method (note 6(8))	467,426	7	387,222	6
7100	Interest income (note 7)	12,034	-	5,809	-
	Total non-operating income and expenditure	494,545	7	421,301	7
	Net profit before tax	611,719	8	486,606	8
7950	**Less: income tax expense (note 6(16))**	29,646	-	22,163	-
	Net profit for the current period	582,073	8	464,443	8
8300	**Other comprehensive income:**				
8310	**Items not reclassified to profit or loss**				
8311	Re-measurement of defined benefit plans	8,039	-	(21,120)	-
8316	Unrealized appraisal income of equity instrument investment at fair value through other comprehensive income	9,721	-	3,244	-
8330	Share of other comprehensive income of subsidiaries, affiliated enterprises and joint ventures under equity method - items not reclassified to profit and loss	(4,895)	-	(12,235)	-
8349	Less: income tax related to non-reclassified items	-	-	-	-
	Total of items not reclassified to profit and loss	12,865	-	(30,111)	-
8360	**Items that may be reclassified to profit and loss in the future**				
8361	Exchange difference from the conversion of financial statements of foreign operating organizations	(2,734)	-	1,627	-
8380	The share of other comprehensive income of subsidiaries, affiliated enterprises and joint ventures under equity method - which may be reclassified to profit and loss	(644)	-	(1,526)	-
8399	Less: income tax related to items that may be reclassified	-	-	-	-
	Total of items that may be reclassified to profit and loss in the future	(3,378)	-	101	-
8300	**Other comprehensive income in the current period**	9,487	-	(30,010)	-
	Total comprehensive income of the current period	**$ 591,560**	**8**	**434,433**	**8**
	Earnings per share (Note 6 (18))				
9750	**Basic earnings per share (NT$)**	**$**	**1.20**		**0.98**
9850	**Diluted earnings per share (NT$)**	**$**	**1.19**		**0.98**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

Taisun Enterprise Co., Ltd.
Statement of Changes in Equity
December 31, 2019 and 12018

Unit: NT$ thousand

	Stock capital			Retained earnings				Other owners' equity items					
	Common stock capital	Stock capital received in advance	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange difference from the conversion of financial statements of foreign operating organizations	Unrealized profit (loss) of financial assets at fair value through other comprehensive income	Unrealized (loss) profit of financial products available for sale	Total	Treasury stocks	Total owners' equity
Balance on January 1, 2018	$ 3,533,360	24,963	29,463	-	240,776	227,522	468,298	(25,765)	-	(9,747)	(35,512)	(203,876)	3,816,696
Adjustment for retro-active application of new standards	-	-	-	-	-	72,799	72,799	-	(99,338)	9,747	(89,591)	-	(16,792)
Balance on January 1, 2018 after re-compilation	3,533,360	24,963	29,463	-	240,776	300,321	541,097	(25,765)	(99,338)	-	(125,103)	(203,876)	3,799,904
Net profit for the current period	-	-	-	-	-	464,443	464,443	-	-	-	-	-	464,443
Other comprehensive income in the current period	-	-	-	-	-	(30,730)	(30,730)	101	619	-	720	-	(30,010)
Total comprehensive income of the current period	-	-	-	-	-	433,713	433,713	101	619	-	720	-	434,433
Appropriation and distribution of earnings:													
Provision of legal reserve	-	-	-	22,752	-	(22,752)	-	-	-	-	-	-	-
Dividends for common stock	-	-	-	-	-	(200,000)	(200,000)	-	-	-	-	-	(200,000)
Other changes in additional paid-in capital:													
Changes in affiliated enterprises and joint ventures under equity method	-	-	17	-	-	-	-	-	-	-	-	-	17
capital injection and stock premium - employee stock option	-	-	(4,132)	-	-	-	-	-	-	-	-	-	(4,132)
Adjustments in additional paid-in capital due to dividends to subsidiaries	-	-	5,443	-	-	-	-	-	-	-	-	-	5,443
Capital injection	1,466,630	(24,963)	920,109	-	-	-	-	-	-	-	-	-	2,361,776
Balance on December 31, 2018	4,999,990	-	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	-	(124,383)	(203,876)	6,397,441
Net profit for the current period	-	-	-	-	-	582,073	582,073	-	-	-	-	-	582,073
Other comprehensive income in the current period	-	-	-	-	-	4,662	4,662	(3,378)	8,203	-	4,825	-	9,487
Total comprehensive income of the current period	-	-	-	-	-	586,735	586,735	(3,378)	8,203	-	4,825	-	591,560
Appropriation and distribution of earnings:													
Provision of legal reserve	-	-	-	46,445	-	(46,445)	-	-	-	-	-	-	-
Dividends for common stock	-	-	-	-	-	(399,999)	(399,999)	-	-	-	-	-	(399,999)
Other changes in additional paid-in capital:													
Adjustments in additional paid-in capital due to dividends to subsidiaries	-	-	10,886	-	-	-	-	-	-	-	-	-	10,886
Equity instruments at fair value through other comprehensive income disposed of by affiliated enterprises under equity method	-	-	-	-	-	(12,490)	(12,490)	-	12,490	-	12,490	-	-
Balance on December 31, 2019	**$ 4,999,990**	-	**961,786**	**69,197**	**240,776**	**639,083**	**949,056**	**(29,042)**	**(78,026)**	-	**(107,068)**	**(203,876)**	**6,599,888**

Chairman: Peter Chan　　Manager: Fred Chan　　Accounting Director: Gu-Long Yan

Taisun Enterprise Co., Ltd.

Cash Flow Stat

December 31, 2019 and 12018

Unit: NT$ thousand

		2019	2018
Cash flow from business activities:			
Net profit before tax of the current period	$	611,719	486,606
Adjustment items:			
Income expense loss items			
Depreciation expense		63,044	62,460
Amortization expense		3,802	15,717
Expected credit impairment loss/provision for bad debts		2,500	16,481
Measurement of net (profit) loss of financial assets and liabilities at fair value through income statement		(2,340)	4,463
Interest expense		17,247	24,437
Interest income		(12,034)	(5,809)
Dividend income		(5,269)	(3,689)
Share of interests of subsidiaries, affiliated enterprises and joint ventures under equity method		(467,426)	(387,222)
Loss (profit) on disposal and retirement of property, plant and equipment		(377)	53
Profit from disposal of non-current assets for sale		(9,420)	-
Unrealized sales benefit		15,196	15,939
Realized sales benefit		(15,939)	(13,613)
Total income expense loss items		(411,016)	(270,783)
Changes in assets/liabilities related to business activities:			
Decrease (increase) in financial assets at fair value through mandatory profit or loss		(14,261)	5,619
Decrease (increase) in notes receivable		(2,902)	10,538
Notes receivable - decrease (increase) from related parties		199,631	(26,449)
Decrease (increase) in accounts receivable		(35,678)	16,418
Accounts receivable - increase from related parties		(161,733)	(10,046)
Decrease (increase) in other receivables		(260)	1,332
Other receivables - decrease from related parties		3,186	-
Decrease (increase) in inventory		(70,985)	25,277
Increase in biological assets		(3,422)	(4,140)
Decrease (increase) in advance payment		(1,744)	235,743
Decrease in other current assets		3,616	5,123
Increase in current financial liabilities - at fair value through income statement		2,938	3,508
Decrease in notes payable		(65,538)	(59,314)
Increase in accounts payable		153,763	14,796
Other increase in accounts payable		82,807	6,008
Increase in other current liabilities		2,380	8,115
Decrease in net defined benefit liabilities		(22,079)	(18,742)
Total adjustment items		(341,297)	(56,997)
Cash inflow from operations		270,422	429,609
Interest received		12,034	5,809
Interest paid		(17,247)	(24,437)
Income tax paid		(523)	-
Net cash inflow from business activities		264,686	410,981

Taisun Enterprise Co., Ltd.
Cash Flow Statement (continued)
December 31, 2019 and 12018

Unit: NT$ thousand

	2019	2018
Cash flow from investment activities:		
Financial assets at fair value through other comprehensive income	-	(100)
Acquisition of investment under equity method	(12,565)	(918,319)
Disposal price of non-current assets for sale	54,312	-
Acquisition of property, plant and equipment	(105,237)	(52,402)
Disposal of property, plant and equipment	1,676	148
Other receivables- of related parties	48,294	(157,582)
Acquisition of intangible assets	-	(4,760)
Increase in other financial assets	(284,030)	(1,031)
Dividends received	316,844	289,326
Net cash inflow (outflow) from investment activities	19,294	(844,720)
Cash flow from financing activities:		
Increase in short-term borrowings	6,439,195	5,103,221
Decrease in short-term borrowings	(6,216,586)	(5,054,437)
Increase in short-term notes payable	3,260,000	1,740,000
Decrease in short-term notes payable	(3,890,000)	(1,010,000)
Long-term borrowings	650,000	200,000
Repayment of long-term borrowings	(260,248)	(1,847,992)
Decrease in other non-current liabilities	(3,165)	(1,982)
Distribution of cash dividends	(399,999)	(200,000)
Capital injection	-	2,357,644
Net cash (outflow) inflow from financing activities	(420,803)	1,286,454
Increase (decrease) in cash and cash equivalents in the current period	(136,823)	852,715
Opening balance of cash and cash equivalents	1,022,956	170,241
Ending balance of cash and cash equivalents	**$ 886,133**	**1,022,956**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

INDEPENDENT AUDITORS' REPORT

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

Audit Opinion

We have audited the consolidated balance sheet of Taisun Enterprise Co., Ltd. and its subsidiaries (the Taisun Group) as of December 31, 2019 and 2018, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement of 2019 and 2018 from January 1 to December 31, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, which is based on our audit results and the audit reports of other accountants (please refer to Other Matters), the consolidated financial statements above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards and International Accounting Standards approved and issued by the Financial Supervisory Commission as well as its interpretations and interpretation announcements and are sufficient to properly express the consolidated financial status of the Taisun Group as of December 31, 2019 and 2018 and the consolidated financial performance and consolidated cash flow of 2019 and 2018 from January 1 to December 31.

Basis of Our Audit Opinion

The audit is conducted in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accounts and the auditing standards generally accepted in the Republic of China. Our responsibility under these standards is further explained in the responsibility section of the audited consolidated financial statements. We are subject to the code of independence of the accounting firm that we belong to, have maintained our independence from the Taisun Group in accordance with the code of professional ethics for accountants and have fulfilled other responsibilities of the code. Based on our audit results and the audit reports of other accountants, we believe that we have obtained sufficient and appropriate audit evidence as the basis for expressing the audit opinion.

Key Audit Items

Key audit items refer to the most important items in the audit of the consolidated financial statements of the Taisun Group for 2019 based on our professional judgment. These items have been reflected in the process of auditing the consolidated financial statements as a whole and the process of forming the audit opinion. We do not express our opinion on these items separately. In our judgment, the key audit items to be communicated in the audit report are as follows:

1. Revenue Recognition

Please refer to note 4(18) on the revenue recognition in the consolidated financial statements for the details of accounting policies related to revenue recognition; please refer to note 6(21) on the customer contract revenue in the consolidated financial statements for the details of revenue.

Description of the Key Audit Item:

The main business items of the Taisun Group are manufacturing, processing and trading of beverages, oils and feedstuffs. The trading conditions stipulated in the trading contracts signed with customers will affect whether or not the time point of revenue recognition judged by the Taisun Group meets the accounting principle of transferring the control to the buyer. When the control of products has not been transferred to the customer but the revenue is recognized, there is the risk of improper revenue recognition. Therefore, the test of revenue recognition is one of the important evaluation items when we perform the audit of consolidated financial statements of the Taisun Group.

Audit Procedures in Response:

Our main audit procedures for the above-mentioned key audit item include understanding the sales system of The Taisun Group, such as the products, sales channels, sales targets, etc., checking the sales contracts of main trading partners and interviewing for the control methods of the internal control system of Taisun Group on the operation process of shipping and revenue recognition.

We have checked the records of delivery and revenue recognition process of the Taisun Group for 2019, and selected the delivery of goods in a period before and after the balance sheet date and checked various vouchers and forms to determine whether or not the sales revenue has been recognized in the financial statement period.

We also evaluate the appropriateness of the disclosure of income by the Taisun Group.

2. Evaluation of Accounts Receivable

Please refer to note 4(7) on the financial instruments in the consolidated financial statements for detailed accounting policies related to the evaluation of accounts receivable; please refer to note 5(1) to the consolidated financial statements for detailed accounting estimates and assumption uncertainties related to the evaluation of accounts receivable; please refer to note 6(4) of the consolidated financial statements for detailed description of evaluation of accounts receivable.

Description of the Key Audit Item:

The amount of accounts receivable of the Taisun Group is relatively high and the Company management's judgment of the possibility of accounts receivable recovery involves significant subjective judgment. Therefore, the evaluation of accounts receivable is one of the important evaluation items for us to perform the audit of consolidated financial statements of the Taisun Group.

Audit Procedures in Response:

Our main audit procedures for the above-mentioned key audit items include obtaining the evaluation policy of overdue accounts receivable, understanding the recent economic and customer credit status of the industry and the historical collection records of previous years, assessing the management's assumptions on the allowance evaluation, analyzing and testing the correctness of the aging analysis table of accounts receivable, checking the collection after the period, etc. to evaluate the reasonableness of the Company's amount of loss provisions for accounts receivable.

We also evaluated the appropriateness of the disclosure items of the Taisun Group for the evaluation of accounts receivable.

3. Inventory Evaluation

For accounting policies related to inventory evaluation, please refer to note 4(8) Inventory of the consolidated financial statements; for uncertainty of accounting estimation and assumption of inventory evaluation, please refer to note 5(2) of the consolidated financial statements; for description of inventory falling price and sluggish loss, please refer to note 6(6) Inventory of the consolidated financial statements.

Description of the Key Audit Item:

The inventory of the Taisun Group is an important asset of the Company's operation and the evaluation of the inventory and whether the products are sluggish may have an impact with the market prosperity fluctuation. Therefore, the test of inventory evaluation is one of the important evaluation items for the accountant to perform the consolidated financial report of the Taisun Group.

Audit Procedures in Response:

The accountant relies on the nature of the goods to check the correctness of the inventory age report by sampling, and to assess the reasonableness of the proportion of the management's provision for the dead inventory; and to check the latest sales price of the inventory and to consider whether the rate of change in selling expenses arising from the sales is reasonable, so as to assess whether the management's provision for the impairment loss is appropriate.

We also assess the appropriateness of disclosure of inventory allowance information by the Taisun Group.

Other Matters

In the Taisun Group's investment under equity method, some of the financial statements of the investment under equity method have not been audited by us, but by other accountants. Therefore, in our opinion on the above consolidated financial statements, the amounts listed in the financial statements of these investee companies are based on the audit report of other accountants. As of December 31, 2019 and 2018, the amount of investment under equity method adopted by these investees accounted for 34.79% and 34.92% of the total assets respectively. The shares of income of the subsidiaries and affiliated enterprises under equity method from January 1 to December 31, 2019 and 2018 accounted for 70.77% and 75.42% of the net profit before tax respectively.

Taisun Enterprise Co., Ltd. has prepared its individual financial statements for 2019 and 2018, and we have issued the audit report with unqualified opinions and other items for reference.

Responsibilities of the Management and Governance Unit for Consolidated Financial Statements

The management is responsible for the preparation of properly expressed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation announcements approved and issued by the Financial Supervisory Commission, and responsible for maintaining the necessary internal control related to the preparation of consolidated financial statements, so as to ensure that there is no material misrepresentation in consolidated financial statements due to fraud or error.

In the preparation of the consolidated financial statements, the management's responsibilities include

the assessment of the ability of the Taisun Group to continue to operate, the disclosure of relevant matters and the adoption of the accounting basis for continuing operations, unless the management intends to liquidate or suspend the business of the Taisun Group or there is no practical plan other than liquidation or suspension of business.

The governance unit (including the audit committee) of the Taisun Group is responsible for supervising the financial reporting process.

The Accountants' Responsibility for Auditing Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether the consolidated financial statements as a whole contain any material untruthful expression resulting from fraud or error, and to issue an audit report. Reasonable assurance means a high degree of assurance, but an audit conducted in accordance with Generally Accepted Auditing Standards cannot guarantee that significant misrepresentation in the consolidated financial statements will be detected. Misrepresentations may be due to fraud or error. An individual or consolidated amount that is misrepresented is considered significant if it can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

When auditing in accordance with Generally Accepted Auditing Standards, we used professional judgment and kept professional suspicion. We also performed the following tasks:

1. Identify and assess the risks of material misstatements of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Because fraud may involve collusion, forgery, intentional omission, false statement or internal control overstepping, the risk of not detecting material misrepresentation caused by fraud is higher than that caused by error.
2. Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Taisun Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on Taisun Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements for those financial statements' users or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained as of the audit report date. However, future events or conditions may cause Taisun Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements), and whether or not the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Matters communicated between us and the governance unit include the planned audit scope and time and major audit findings (including significant lack of internal control identified in the audit process).

We also provided the governance unit with the statement that the persons involved who are subject to the independence standard of our accounting firm have complied with the professional ethics of accountants, and communicated with the governance unit all relations and other matters (including relevant protective measures) that may affect our independence.

We communicate with those charged with governance regarding, among other things, the key audit matters in our audit of the consolidated financial statements of Taisun Group in 2019. We have stated such matters in the audit report, unless it is prohibited by law to disclose specific matters publicly, or in rare cases, we decide not to communicate specific matters in the audit report as it can be reasonably expected that the negative impact of such communication will be greater than the public interest promoted.

KPMG

Accounts: 邱世欽 陳泉哲

Approval Certificate No. of Securities Authority 2020. 03.26 : Jin-Guan-Cheng-Shen No. 1020000737 Jin-Guan-Cheng-Shen No. 1000011652

Taisun Enterprise Co., Ltd. and subsidiaries

Consolidated Balance Sheet

December 31, 2019 and 12018

Unit: NT$ thousand

		108.12.31		107.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 1,147,024	12	1,279,547	15
1110	Financial assets at fair value through income statement - current (Note 6(2))	74,467	1	58,622	1
1150	Net Notes receivable (Note 6(4))	125,217	1	122,987	1
1160	Notes receivable - net amount of related parties (Notes 6(4) and 7)	2,318	-	-	-
1170	Net accounts receivable (Note 6(4))	613,317	7	557,233	6
1180	Accounts receivable - net amount of related parties (Notes 6(4) and 7)	332,721	4	370,392	4
1200	Other Receivables (Note 6(5) and Note 7)	6,127	-	6,354	-
1310	Inventory - manufacturing (Note 6(6))	680,300	7	612,900	7
1400	Biological assets - current	14,589	-	14,331	-
1421	Advance payment for goods	181,663	2	190,654	2
1429	Other pre-payments	34,777	-	25,320	-
1460	Noncurrent Assets Available for Sale (Net) (Note 6(7) & (9))	6,562	-	51,689	1
1476	Other financial assets - current (Notes 6(1) and 8)	329,225	4	4,610	-
1479	Other current assets - other	13,305	-	17,028	-
	Total Current Assets	3,561,612	38	3,311,667	37
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6(3))	61,616	1	51,256	1
1550	Investment at equity (Note 6(8))	3,211,431	35	3,075,427	35
1600	Property, plant and equipment (Notes 6(9) and 8)	1,714,062	19	1,680,695	20
1755	Right of Use Assets (Note 6 (10))	15,629	-	-	-
1760	Net Investment Property (Note 6 (11))	617,829	7	619,683	7
1780	Intangible assets	7,045	-	11,035	-
1830	Biological assets – non-current	6,691	-	5,746	-
1840	Deferred Income Tax Assets (Note 6 (18))	21,895	-	26,895	-
1915	Prepayment for Equipment	1,981	-	4,294	-
1980	Other financial assets – non-current	9,556	-	7,612	-
1985	Long-term Prepaid Rents	-	-	12,692	-
	Total Non-current Assets	5,667,735	62	5,495,335	63
	Total assets	**$ 9,229,347**	**100**	**8,807,002**	**100**

		108.12.31		107.12.31	
	Liabilities and owners' equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Note 6 (12))	$ 277,609	3	107,000	1
2110	Short-term bills payables (Note 6 (13))	261,000	3	820,000	9
2120	Financial liabilities at fair value through income statement - current (Note 6(2))	1,451	-	660	-
2130	Liabilities from contracts –current (Note 6 (21))	45,162	-	40,262	-
2150	Notes payable	5,373	-	69,272	1
2170	Accounts payable (Note 7)	457,543	6	284,527	3
2200	Other payables (Note 6 (17) & (22))	404,415	5	310,164	4
2230	Income tax liability in current period (Note 6 (18))	32,513	-	-	-
2280	Leasehold liability – current (Note 16 (16))	2,202	-	-	-
2322	Current portion of long-term loans (Note 6 (14))	75,000	1	260,248	3
2399	Other current liabilities – Others (Note 6 (7) and Note 7)	135,950	1	124,502	1
	Total current liabilities	1,698,218	19	2,016,635	22
	Non-current liabilities:				
2540	Long-term loans (Note 6 (14))	687,500	7	112,500	1
2570	Deferred Income Tax Liabilities (Note 6 (18))	222,537	2	222,537	3
2580	Leasehold Liabilities –noncurrent (Note 6 (16))	1,634	-	-	-
2640	Net defined benefit liabilities – noncurrent (Note 6 (17))	7,745	-	43,582	-
2670	Other non-current liabilities - other	6,540	-	9,039	-
	Total Non-current Liabilities	925,956	9	387,658	4
	Total liabilities	2,624,174	28	2,404,293	26
	Shareholders Equity Attributable to Parent Company (Note 6 (19))				
3110	Common stock capital	4,999,990	54	4,999,990	57
3200	Additional paid-in capital	961,786	10	950,900	11
	Retained earnings:				
3310	Legal reserve	69,197	1	22,752	-
3320	Special reserve	240,776	3	240,776	3
3350	Undistributed earnings	639,083	7	511,282	6
3400	Other owners' equity	(107,068)	(1)	(124,383)	(1)
3500	Treasury stocks	(203,876)	(2)	(203,876)	(2)
	Total Shareholders Equity Attributable to Parent Company	6,599,888	72	6,397,441	74
36XX	Uncontrolled Equities	5,285	-	5,268	-
	Total owners' equity	6,605,173	72	6,402,709	74
	Total liabilities and owners' equity	**$ 9,229,347**	**100**	**8,807,002**	**100**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

Taisun Enterprise Co., Ltd. and subsidiaries
Consolidated Income Statement
December 31, 2019 and 12018

Unit: NT$ thousand

		2019		2018	
		Amount	%	Amount	%
4000	**Revenue (Note 6 (21) and Note 7)**	$ 8,000,584	100	7,901,670	100
5000	**Operating costs (Notes 6(6) and 7)**	6,545,893	82	6,468,636	82
5910	Less: unrealized sales income	721	-	1,500	-
5920	Plus: realized sales income	1,500	-	539	-
	Operating margin	1,455,470	18	1,432,073	18
	Expense from operation (Note 6 (4), (17), (22) and Note 7)				
6100	Selling expenses	895,650	11	933,522	12
6200	Management fees	399,766	5	391,411	5
6450	Expected credit impairment loss	(153)	-	16,804	-
	Total operating expenses	1,295,263	16	1,341,737	17
	Net Operating Income	160,207	2	90,336	1
	Non-operating income and expenditure:				
7020	Other benefits and losses (Note 6 (23))	29,135	-	59,828	1
7050	Financial Cost (Note 6 (23))	(19,291)	-	(37,535)	-
7060	The share of income from associates and joint-ventures accounted for under the equity method (Note 6 (8))	439,965	5	370,648	5
7100	Interest income	11,620	-	8,183	-
	Total non-operating income and expenditure	461,429	5	401,124	6
7900	**Net profit before tax**	621,636	7	491,460	7
7950	**Less: Income Tax Expense (Note 6 (18))**	39,435	-	26,778	-
8200	**Net profit for the current period**	582,201	7	464,682	7
8300	**Other Comprehensive Incomes (Note 6 (19)):**				
8310	**Items not reclassified to profit or loss**				
8311	Re-measurement of defined benefit plans	7,654	-	(26,242)	-
8316	Unrealized appraisal income of equity instrument investment at fair value through other comprehensive income	10,631	-	3,144	-
8320	The share of other comprehensive incomes from associates and joint-ventures accounted for under the equity method – items not reclassified as incomes	(5,401)	-	(7,041)	-
		12,884	-	(30,139)	-
8360	**Items that may be reclassified to profit and loss in the future**				
8361	Exchange difference from the conversion of financial statements of foreign operating organizations	(2,734)	-	1,627	-
8370	The share of other comprehensive incomes from associates and joint-ventures accounted for under the equity method – items could be reclassified as incomes	(644)	-	(1,526)	-
		(3,378)	-	101	-
8300	**Other comprehensive incomes in current period (net of taxation)**	9,506	-	(30,038)	-
8500	**Total comprehensive income of the current period**	**$ 591,707**	**7**	**434,644**	**7**
	Net Income in current period attributable to:				
8610	Parent Company	$ 582,073	7	464,443	7
8620	Uncontrolled Equities	128	-	239	-
	Net profit for the current period	**$ 582,201**	**7**	**464,682**	**7**
	Total Comprehensive Income Attributable to:				
8710	Parent Company	$ 591,560	7	434,433	7
8720	Uncontrolled Equities	147	-	211	-
	Total comprehensive income of the current period	**$ 591,707**	**7**	**434,644**	**7**
	Earnings per share (Note 6 (20))				
9750	**Basic earnings per share (NTD)**	**$**	**1.20**		**0.98**
9850	**Diluted earnings per share (NTD)**	**$**	**1.19**		**0.98**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

Taisun Enterprise Co., Ltd. and subsidiaries
Consolidated Statement of Changes in Equities
December 31, 2019 and 12018

Unit: NT$ thousand

	Shareholders Equity Attributable to Parent Company													
	Stock capital			Retained earnings				Other owners' equity items						
	Common stock capital	Stock capital received in advance	Additional paid-in capital	Legal reserve	Special Reserve	Undistributed earnings	Total	Exchange difference from the conversion of financial statements of foreign operating organizations	Unrealized gains (loss) of financial assets at fair value through comprehensive income statement	Unrealized (loss) profit of financial products available for sale	Total	Treasury stocks	Total shareholders' equity attributable to parent company	Uncontrolled Equities	Total owners' equity
Balance on January 1, 2018	$ 3,533,360	24,963	29,463	-	240,776	227,522	468,298	(25,765)	-	(9,747)	(35,512)	(203,876)	3,816,696	5,293	3,821,989
Adjustment for retro-active application of new standards	-	-	-	-	-	72,799	72,799	-	(99,338)	9,747	(89,591)	-	(16,792)	-	(16,792)
Balance on January 1, 2018 after re-compilation	3,533,360	24,963	29,463	-	240,776	300,321	541,097	(25,765)	(99,338)	-	(125,103)	(203,876)	3,799,904	5,293	3,805,197
Net profit for the current period	-	-	-	-	-	464,443	464,443	-	-	-	-	-	464,443	239	464,682
Other comprehensive income in the current period	-	-	-	-	-	(30,730)	(30,730)	101	619	-	720	-	(30,010)	(28)	(30,038)
Total comprehensive income of the current period	-	-	-	-	-	433,713	433,713	101	619	-	720	-	434,433	211	434,644
Appropriation and distribution of earnings:															
Provision of legal reserve	-	-	-	22,752	-	(22,752)	-	-	-	-	-	-	-	-	-
Dividends for common stock	-	-	-	-	-	(200,000)	(200,000)	-	-	-	-	-	(200,000)	-	(200,000)
Other changes in additional paid-in capital:															
Changes in affiliated enterprises and joint ventures under equity method	-	-	17	-	-	-	-	-	-	-	-	-	17	-	17
Adjustments in additional paid-in capital due to dividends to subsidiaries	-	-	5,443	-	-	-	-	-	-	-	-	-	5,443	-	5,443
capital injection and stock premium - employee stock option	-	-	(4,132)	-	-	-	-	-	-	-	-	-	(4,132)	-	(4,132)
Capital injection	1,466,630	(24,963)	920,109	-	-	-	-	-	-	-	-	-	2,361,776	-	2,361,776
Payment of cash dividends from subsidiaries to uncontrolled equities	-	-	-	-	-	-	-	-	-	-	-	-	-	(236)	(236)
Balance on December 31, 2018	4,999,990	-	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	-	(124,383)	(203,876)	6,397,441	5,268	6,402,709
Net profit for the current period	-	-	-	-	-	582,073	582,073	-	-	-	-	-	582,073	128	582,201
Other comprehensive income in the current period	-	-	-	-	-	4,662	4,662	(3,378)	8,203	-	4,825	-	9,487	19	9,506
Total comprehensive income of the current period	-	-	-	-	-	586,735	586,735	(3,378)	8,203	-	4,825	-	591,560	147	591,707
Appropriation and distribution of earnings:															
Provision of legal reserve	-	-	-	46,445	-	(46,445)	-	-	-	-	-	-	-	-	-
Dividends for common stock	-	-	-	-	-	(399,999)	(399,999)	-	-	-	-	-	(399,999)	-	(399,999)
Other changes in additional paid-in capital:															
Adjustments in additional paid-in capital due to dividends to subsidiaries	-	-	10,886	-	-	-	-	-	-	-	-	-	10,886	-	10,886
Payment of cash dividends from subsidiaries to uncontrolled equities	-	-	-	-	-	-	-	-	-	-	-	-	-	(130)	(130)
Equity instruments at fair value through other comprehensive income disposed of by affiliated enterprises under equity method	-	-	-	-	-	(12,490)	(12,490)	-	12,490	-	12,490	-	-	-	-
Balance on December 31, 2019	**$ 4,999,990**	**-**	**961,786**	**69,197**	**240,776**	**639,083**	**949,056**	**(29,042)**	**(78,026)**	**-**	**(107,068)**	**(203,876)**	**6,599,888**	**5,285**	**6,605,173**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

Taisun Enterprise Co., Ltd. and subsidiaries

Consolidated Statement of Cash Flow

December 31, 2019 and 12018

Unit: NT$ thousand

		2019	2018
Cash flow from business activities:			
Net profit before tax of the current period	$	621,636	491,460
Adjustment items:			
Income expense loss items			
Depreciation expense		88,693	87,603
Amortization expense		4,700	18,750
Expected credit impairment (income reversal):		(153)	16,804
Measurement of net (profit) loss of financial assets and liabilities at fair value through income statement		(3,731)	5,640
Interest expense		19,291	37,535
Interest income		(11,620)	(8,183)
Dividend income		(5,792)	(4,245)
Recognized share of income from associated and joint-ventures accounted for under the equity method		(439,965)	(370,648)
Capital gain from disposal and scrapping of property, plant, and equipment		(383)	(4,295)
Profit from disposal of non-current assets for sale		(9,420)	(10,717)
Impairment of non-financial assets		-	3,339
Unrealized sales benefit		721	1,500
Realized sales benefit		(1,500)	(539)
Others		-	461
Total income expense loss items		(359,159)	(226,995)
Changes in operations-related assets and liabilities:			
Decrease (increase) in financial assets at fair value through mandatory profit or loss		(14,261)	5,619
Decrease (increase) in notes receivable		(2,230)	14,075
Increase of Note Receivables – Related Parties		(2,318)	-
Decrease (increase) in accounts receivable		(55,993)	15,284
Decrease (increase) of Account Receivables-Related Parties		37,671	(45,248)
Decrease of Other Receivables		195	13
Decrease (increase) in inventory		(68,039)	13,630
Increase in biological assets		(3,422)	(4,140)
Decrease (increase) in advance payment		(1,330)	237,965
Decrease in other current assets		3,698	8,474
Increase of financial liabilities at fair value through income statement -current		2,938	3,508
Increase of liabilities from contracts		6,512	224
Decrease in notes payable		(63,899)	(62,006)
Increase in accounts payable		173,693	19,516
Increase (decrease) of other payables		111,176	(25,349)
Increase in other current liabilities		13,580	23,158
Decrease in net defined benefit liabilities		(28,183)	(17,246)
Total net changes in operations-related assets and liabilities		109,788	187,477
Total adjustment items		(249,371)	(39,518)
Cash inflow from operations		372,265	451,942
Interest received		11,620	8,183
Interest paid		(19,291)	(37,535)
Income tax paid		(3,401)	(2,564)
Net cash inflow from business activities		361,193	420,026

Taisun Enterprise Co., Ltd. and subsidiaries
Consolidated Statement of Cash Flow (continued)
December 31, 2019 and 12018

Unit: NT$ thousand

	2019	2018
Cash flow from investment activities:		
Financial assets at fair value through other comprehensive income	-	(100)
Acquisition of investment under equity method	(12,565)	(868,767)
Financial assets at fair value through income statement – refund of investment from decapitalization	5	-
Disposal of non-current assets available for sale	54,312	93,505
Acquisition of property, plant and equipment	(124,362)	(56,970)
Disposal of property, plant and equipment	6,029	10,881
Acquisition of intangible assets	-	(4,760)
Increase in other financial assets	(328,082)	(5,671)
Increase of pre-payment for equipment	2,312	(10,877)
Dividends received	317,053	288,899
Net cash outflow from investment	(85,298)	(553,860)
Cash flow from financing activities:		
Increase in short-term borrowings	7,240,850	6,403,220
Decrease in short-term borrowings	(7,070,241)	(6,374,681)
Increase in short-term notes payable	4,464,000	2,600,000
Decrease in short-term notes payable	(5,023,000)	(1,885,000)
Long-term borrowings	650,000	200,000
Repayment of long-term borrowings	(260,248)	(2,145,763)
Retirement of lease principal	(2,086)	-
Increase (decrease) of other non-current liabilities	(2,460)	(4,557)
Distribution of cash dividends	(400,129)	(200,236)
Capital injection	-	2,357,644
Net cash (outflow) inflow from financing activities	(403,314)	950,627
Effect of changes in exchange rate on cash and cash equivalents	(5,104)	(3,081)
Increase (decrease) in cash and cash equivalents in the current period	(132,523)	813,712
Opening balance of cash and cash equivalents	1,279,547	465,835
Ending balance of cash and cash equivalents	**$ 1,147,024**	**1,279,547**

Chairman: Peter Chan **Manager: Fred Chan** **Accounting Director: Gu-Long Yan**

Attachment 4

Taisun Enterprise Co., Ltd.

Table of profit distribution in 2019

Unit: NT$

Items	Amount
Undistributed earnings at beginning of period	**64,838,590**
Add: Adjustment in retrospect to the application of new standard	-
Less: Recognized changes in equities of investee companies accounted for under the equity method	(12,489,989)
Add: Changes of reevaluation of defined benefit plan in current period	4,660,180
Add: Net income in 2019	582,073,235
Less: Provision of legal reserve (10%)	(57,424,343)
Distributable earnings in current period	**581,657,673**
Less: Shareholders dividends in cash (at NT$0.9/share)	(449,999,134)
Unappropriated retained earnings	**131,658,539**

Explanation:

1. The earnings in 2019 will be the first priority for distribution of earnings in current period.
2. The rate of dividends per share will be subject to adjustment by the actual outstanding shares as of the ex-dividends day.
3. Total cash dividend to Shareholders will be rounded off to the nearest dollar. The fraction of a share falling below NT$1 will be recognized as other incomes of the Company.
4. In supporting the amendment to Article 66-9 of the Income Tax Act, the basis for the appropriation of legal reserve is revised as “Net income after taxation in current period plus additional items beyond net income after taxation in current period shall be counted as the undistributed earnings of current period”.

Chairman: Manager: Chief Accounting Officer:

Attachment 5

Taisun Enterprise Co., Ltd.

Comparing the Articles of Incorporation before and after amendments

Article	Before amendments	After amendments	Reason for amendments
Article 5	The Company has stated capital of NT$8,000,000,000 and evenly split into 800,000,000 shares at NT$10/share in face value. The Board is authorized to offer the shares in tranches as needed. The Company may offer preferred shares from the unissued shared as mentioned in the preceding paragraph. The Company may offer shares without the printing of physical share certificate and shall register with Taiwan Depository and Clearing Corporation.	The Company has stated capital of NT$**10,000,000,000** and evenly split into **1,000,000,000** shares at NT$10/share in face value. The Board is authorized to offer the shares in tranches as needed. The Company may offer preferred shares from the unissued shared as mentioned in the preceding paragraph. The Company may offer shares without the printing of physical share certificate and shall register with Taiwan Depository and Clearing Corporation.	Revision of the authorized capital for the long-term development needs of the Company.
Article 11	The Shareholders Meeting of the Company will convene in the following 3 sessions: Annual Meeting of Shareholders – The Board shall call for the session within 6 months after the end of the fiscal year. Special session of the Shareholders Meeting – convened at any time as required by law. Shareholders Meeting for holders of preferred shares- convened at any time as required by law.	The Shareholders Meeting of the Company will convene in the following **2** sessions: Annual Meeting of Shareholders – The Board shall call for the session within 6 months after the end of the fiscal year. Special session of the Shareholders Meeting – convened at any time as required by law.	The Company does not issue preferred shares. The provision on Shareholders for holders of preferred shares is deleted.
Article 19	The Company has established 5 to 11 seats of Directors under the candidate nomination system. Shareholders can elect the nominated candidates from the nomination list to the seats of Directors in the Shareholders' Meeting. Each Director has a tenure of 3 years and may assume another term of office if reelected. The total registered shares held by all Directors of the Company shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies. The Company shall allocate 3 seats for Independent Directors, among all other Directors. The ratio of Independent Directors shall not fall below 1/5 of the total seats of Directors. The determination of the professional qualification, quantity of shareholding, restriction of holding other positions, and independence of the Independent Directors, the method of nomination and election to the seats and other particulars of compliance shall be governed by the Company Act, Securities and Exchange Act and other applicable laws. The Company has established the Auditing Committee in 2016 in compliance with the Securities and Exchange Act. The previous functions of the Supervisors under the Company Act, Securities and Exchange Act, other applicable laws were replaced by the Auditing Committee. All the members of the Auditing Committee are Independent Directors and there shall be at least 3 members in the committee of whom 1 shall be the convener. At least one of the members shall specialize in accounting or finance. The functions, organization code, authority and other matters of compliance of the Auditing Committee shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.	The Company has established 5 to **17** seats of Directors under the candidate nomination system. Shareholders can elect the nominated candidates from the nomination list to the seats of Directors in the Shareholders Meeting. Each Director has tenure of 3 years, and may assume another term of office if reelected. The total registered shares held by all Directors of the Company shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies. The Company shall allocate **at least** 3 seats for Independent Directors, among all other Directors. The ratio of Independent Directors shall not fall below 1/5 of the total seats of Directors. The determination of the professional qualification, quantity of shareholding, restriction of holding other positions, and independence of the Independent Directors, the method of nomination and election to the seats and other particulars of compliance shall be governed by the Company Act, Securities and Exchange Act and other applicable laws. The Company has established the Auditing Committee in 2016 in compliance with the Securities and Exchange Act. The previous functions of the Supervisors under the Company Act, Securities and Exchange Act, **and** other applicable laws were replaced by the Auditing Committee All the members of the Auditing Committee must be Independent Directors. The functions, organizational code, authority and other matters of compliance of the Auditing Committee shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.	1. Amendment to the number of seats of Directors in this provision for actual operation needs. Likewise, the seats for Independent Directors in paragraph 2 is also amended accordingly. 2. Revision of the wording in paragraph 3.

Article	Before amendments	After amendments	Reason for amendments
Article 23-1	The function of the Board is specified as follows: 1. Calling for the convention of the Shareholders' Meeting and execution of its resolutions. 2. Review of corporate policy, mid and long-term development plan, review of annual plan and supervision for the implementation of the plan. 3. Review and approval of budget and account settlement. 4. Review and approval of the Articles of Incorporation of the Company and essential internal rules and regulations. 5. The establishment and cancellation, reorganization or dissolution of branches. 6. The appointment and dismissal of the president, vice presidents and managers of the Company. 7. Planning and study of the procurement and disposal of important investment and assets of the Company. 8. Review of the endorsement and guarantee and loaning of funds in favor of third parties by the Company. 9. Planning of the distribution of earnings and covering carryforward loss. 10. Planning for capitalization and decapitalization, and decision of issuing new shares. 11. Decision of seeking financing from financial institutions. 12. Recommendation to the Shareholders' Meeting regarding the amendment to the Articles of Incorporation, proposal for the dissolution, or merger of the Company. 13. Authority granted by Article 202 of the Company Act and other applicable laws.	The function of the Board is specified as follows: 1. Calling for the convention of the Shareholders' Meeting and execution of its resolutions. 2. Review of corporate policy, mid and long-term development plan, review of annual plan and supervision for the implementation of the plan. 3. Review and approval of budget and account settlement. 4. Review and approval of the Articles of Incorporation of the Company and essential internal rules and regulations. 5. The establishment and cancellation, reorganization or dissolution of branches. 6. The appointment and dismissal of the president, vice presidents and managers of the Company. 7. Planning and study of the procurement and disposal of important investment and assets of the Company. 8. Review of the endorsement and guarantee and loaning of funds in favor of third parties by the Company. 9. Planning of the distribution of earnings and covering carryforward loss. 10. Planning for capitalization and decapitalization, and decision of issuing new shares. 11. Decision of seeking financing from financial institutions. 12. Recommendation to the Shareholders' Meeting regarding the amendment to the Articles of Incorporation, proposal for the dissolution, or merger of the Company. 13. Authority granted by applicable laws **and the Articles of Incorporation**.	Revision of the wording in paragraph 13 of this article
Article 33	The Company may, at the consent of the Board, undertake endorsement or guarantee of business in favor of outsiders in accordance with applicable internal rules and regulations but not guarantee of persons.	The Company may undertake endorsement or guarantee in favor of outsiders in accordance with **applicable laws governing publicly-traded companies and applicable internal rules** and regulations but not guarantee of persons.	Revision of the wording of this article.
Article 36	The Articles of Incorporation were duly instituted on 1960.09.07. Skipped Amended for the 53rd instance on 2018.11.21. Amended for the 54th instance on 2019.05.23, which will come into force at the resolution of the Shareholders' Meeting.	The Articles of Incorporation were duly instituted on 1960.09.07. Skipped Amended for the 54s instance on 2019.05.23. **Amended for the 55th instance on 2020.05.21**, which will come into force at the resolution of the Shareholders' Meeting.	Addition of the date of the recent amendment to the Articles of Incorporation

Attachment 6

Taisun Enterprise Co., Ltd.

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

Before amendments	After amendments	Reason for amendments
I. The convention of Shareholders' Meeting shall be governed by this procedure unless the law provides otherwise.	I. The **parliamentary procedure** for the convention of the Shareholders' Meeting shall be governed by this procedure unless the law or **the Articles of Incorporation** provide otherwise.	Amended with reference to Article 2 of the "XX Corporation Parliamentary Procedure of Shareholders' Meeting" Sample Version (hereinafter, "**Scope of Reference**") established pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies.
II. The Company has prepared a sign-in book for the shareholders to sign-in for attendance or the shareholders attending the session should present their sign-in card in lieu of signing in.	II. **Shareholders, proxies appointed by shareholders, or parties requesting for power of attorney for attending a Shareholders' Meeting should present the attendance pass, sign-in card issued by the Company or other certification documents for attendance in order to attend the Shareholders' Meeting, and must bring along the identification documents for confirmation of identity.** Shareholders attending the session should present their sign-in card in lieu of signing in. **The number of representatives of government or institutional shareholders shall be limited to the number of Directors (including Independent Directors) of the current term of the Board. Each institutional shareholder may appoint only one representative to attend the Shareholders' Meeting.**	1. Amended with reference to Article 6 of the S**cope of Reference**. 2. **Set the upper limit of the number of representatives appointed by the government or institutional shareholders to the Shareholders' Meeting in accordance with the Ministry of Economic Affairs Letter of Interpretation Jing-Shang-Zi No. 10402404570 dated 2015.03.10.**

Before amendments	After amendments	Reason for amendments
III. The number of shareholders present in the Shareholders' Meeting shall be based on the record of the sign-in book or the submitted sign-in cards. The attendance and voting of shareholders shall be based on the quantity of outstanding shares being represented.	III. **The convention of the Shareholders' Meeting of the Company shall be called by the Board unless the law provides otherwise. If it is the Board that calls for the convention of the Shareholders' Meeting, the Chairman shall act as the presiding officer. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act as the presiding officer on behalf of the Chairman. In the absence of both the Chairman or the Vice Chairman due to leave or other reasons, the Chairman shall appoint one Director to act as the presiding officer. If the Chairman did not appoint a proxy, the Directors shall nominate one among themselves to act as the presiding officer. If a Director acts as proxy on behalf of and in the name of the Chairman, such Director must be in office for at least 6 months and have a good understanding of the financial position and operation of the Company. The same principle applies to representatives of Institutional Directors. Where a third party beyond the Board may call for the convention of the Shareholders' Meeting, such third party shall act as the presiding officer. If there are more than 2 parties calling for the convention, they shall nominate one among themselves to act as the presiding officer.**	1. Amendment to the original version of this articles and moved to Article 2. 2. This article is amended with reference to Article 7 of the **Scope of Reference.**

Before amendments	After amendments	Reason for amendments
IV. If it is the Board that calls for the convention of the Shareholders' Meeting, the Chairman shall act as the presiding officer. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act as the presiding officer on behalf of the Chairman. In the absence of both the Chairman or the Vice Chairman due to leave or other reasons, the Chairman shall appoint one Director to act as the presiding officer. If the Chairman did not appoint a proxy, the Directors shall nominate one among themselves to act as the presiding officer. Where a third party beyond the Board may call for the convention of the Shareholders Meeting, such third party shall act as the presiding officer.	**IV. The Company may appoint the retained lawyers, certified public accountants or related personnel to attend the Shareholders' Meeting as observers.**	1. Amendment to the original version of this article and moved to Article 3. 2. Article 5 of the original version is included in this article.
V. The Company may appoint the retained lawyers, certified public accountants or related personnel to attend the Shareholders' Meeting as observers.	**V. The Company shall track the entire process from the time shareholders start to register for presence to the Shareholders' Meeting, the meeting is in session, and counting of the votes cast by shareholders on record by voice recording and videotaping without pause. The aforementioned voice record and videotaped materials shall be kept for at least 1 year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.**	This article is amended with reference to Article 8 of the **Scope of Reference**.

Before amendments	After amendments	Reason for amendments
VI. The presiding officer shall announce the Shareholders' Meeting in session at the scheduled time. If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. Twice duration of delay shall not be more than 1 hour in total. If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the Shareholders' Meeting may proceed to provisional resolution pursuant to Paragraph 1 in Article 175 of the Company Act. If the presence of additional shareholders in the Shareholders' Meeting could represent more than half of the outstanding shares before the adjournment of the session, the presiding officer may refer the provisional resolutions to the convention for a new round of voting pursuant to Article 174 of the Company Act.	VI. **The attendance of shareholders to the Shareholders' Meeting shall be based on the quantity of shares being represented. The quantity of shares being represented in the Shareholders' Meeting shall be based on the sign-in card submitted by the shareholders in session plus the votes cast under the power of attorney or electronic mean.** The presiding officer shall announce the Shareholders' Meeting in session at the scheduled time. If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. **Twice** duration of delay shall not be more than 1 hour **in total**. **If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the presiding officer shall announce to cancel the meeting.** If the session was postponed twice under the preceding paragraph with the presence of shareholders representing less than 1/3 of the outstanding shares, the Shareholders' Meeting may proceed to provisional resolution pursuant to Paragraph 1 in Article 175 of the Company Act, **and inform all shareholders of the provisional resolution for the convention of the Shareholders' Meeting within one month thereafter.** If the presence of additional shareholders in the Shareholders' Meeting could represent more than half of the outstanding shares before the adjournment of the session, the presiding officer may refer the provisional resolutions to the **Shareholders** Meeting for a new round of voting pursuant to Article 174 of the Company Act.	This article is amended with reference to Article 9 of the **Scope of Reference**

Before amendments	After amendments	Reason for amendments
VII. If it is the Board that calls for the convening of the Shareholders' Meeting, the Board shall prepare the agenda, and proceed in accordance with the agenda. The agenda cannot be changed without the resolution of the Shareholders' Meeting. If an entitled third party beyond the Board calls for the convention of the Shareholders' Meeting, the rules of the preceding paragraph shall also be applicable. Before the agenda has been fully covered in the procedure (including extemporary motions), the presiding officer cannot announce the adjournment of the session without the resolution of the Shareholders' Meeting. Shareholders cannot appoint another presiding officer to continue the session in the same place or in another place after the announcement of the adjournment of the session.	VII. If it is the Board that calls for the convention of the Shareholders' Meeting, the Board shall prepare the agenda and proceed in accordance with the agenda. **The motions contained in the agenda shall be referred to voting for decision**. The agenda cannot be changed without the resolution of the Shareholders' Meeting. If an entitled third party beyond the Board calls for the convening of the Shareholders' Meeting, the rules of the preceding paragraph shall also be applicable. Before the agenda has been fully covered in the procedure (including extemporary motions), the presiding officer cannot announce the adjournment of the session without the resolution of the Shareholders' Meeting.	Revision of the wording.
VIII. Shareholders in session shall note down the summary of opinion to be expressed, the account number (or attendance pass number) and the account title, on the memo sheet before the expression. The presiding officer shall determine the order of expression of opinions by the shareholders. Shareholders who just expressed their opinions on the memo sheet without verbal expression shall be construed as no expression of opinion. If the content of verbal expression is irrelevant with the content stated in the memo sheet, the content of verbal expression shall prevail. No shareholders may interrupt the presentation of another shareholder unless at the consent of the presiding officer and the shareholder presenting the speech or the presiding officer shall stop the interruption.	VIII. Shareholders in session shall note down the summary of opinion to be expressed, the account number (or attendance pass number) and the account title, on the memo sheet before the expression. The presiding officer shall determine the order of expression of opinions by the shareholders. Shareholders who just expressed their opinions on the memo sheet without verbal expression shall be construed as no expression of opinion. If the content of verbal expression is irrelevant with the content stated in the memo sheet, the content of verbal expression shall prevail. No shareholders may interrupt the presentation of another shareholder unless at the consent of the presiding officer and the shareholder presenting the speech or the presiding officer shall stop the interruption.	Revision of the wording.

Before amendments	After amendments	Reason for amendments
IX. The same shareholder may express his/her opinion on the same motion only twice, and may further express opinion on the same motion only at the consent of the presiding officer. Shareholders may have the floor for expression of opinion for up to 5 minutes for each instance. Shareholders who violate the rules of the preceding paragraph in the expression of his/her opinion or the opinion so expressed is beyond the scope of the motion will be stopped by the presiding officer.	IX. The same shareholder may express his/her opinion on the same motion only twice, and may further express opinion on the same motion only at the consent of the presiding officer. Shareholders may have the floor for expression of opinion for up to 5 minutes for each instance. Shareholders who violate the rules in expression of opinion or the opinion so expressed is beyond the scope of the motion will be stopped by the presiding officer.	Revision of the wording.
X. Each institutional shareholder may appoint only one representative to the Shareholders' Meeting If specific institutional shareholder appoints more than two representatives to the Shareholders' Meeting, only one representative may expression opinion on the same motion.	X. If specific institutional shareholder appoints more than two representatives to the Shareholders' Meeting, **only one of the representatives may be appointed to express opinion on the same motion.**	Revision of the wording.
XI. After a shareholder has expressed his/her opinion, the presiding officer may respond personally or appoint designated personnel to respond to the opinion.	XI. After a shareholder has expressed his/her opinion, the presiding officer may respond personally or appoint designated personnel to respond to the opinion.	No amendment to this article.
XII. If the presiding holds that discussion on particular motion is adequate that the motion should be referred to voting, announce to halt the discussion and proceed to voting.	**XII. Votes cast by the Shareholders' Meeting shall be based on the quantity of shares represented. The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. If a particular motion discussed in the Shareholders' Meeting involves the conflict of interest between shareholders and the Company, the shareholders concerned shall recuse from voting and cannot act as proxy for another shareholder in voting. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.**	This article is amended with reference to Article 12 of the **Scope of Reference**.

Before amendments	After amendments	Reason for amendments
XIII. The presiding officer shall appoint the scrutineers and the tally clerks and the scrutineers must be shareholders at the same time. The results of the balloting shall be announced on the scene and tracked on record.	XIII. **Shareholders are entitled to one voting right for the holding of each shares except for the holding of restricted shares or shares bearing not votes under Paragraph 2 in Article 179 of the Company Act. The Company should adopt balloting by electronic means and correspondence, and shall specify the availability of these means of balloting in the meeting notice to shareholders. Shareholders casting votes by electronic means or correspondence shall be deemed present in the Shareholders' Meeting in person. However, balloting by electronic means or correspondence shall be deemed abstention in the voting of extemporary motions or amendment to original motions. Each motion shall be passed by a simple majority of the votes cast by shareholders in session unless the Company Act or the Articles of Incorporation of the Company provide otherwise. If there is an amendment to or substitute version of particular motion, the presiding officer shall combine the amendment and/or the substitute version to the original motion and decide the priority of voting. If the original motion, the amendment to the motion or the substitute version of the original motion is passed, it shall be deemed that with the passing of the motion no further resolution will be required.** The presiding officer shall appoint the scrutineers and the tally clerks and the scrutineers must be shareholders at the same time. The result of balloting shall be announced on the scene and tracked on record.	1. This article is amended with reference to Article 13 of the **Scope of Reference.** 2. Article 17 was moved to and combined with this article.
XIV. Each motion shall be passed by a simple majority of the votes cast by shareholders in session unless the Company Act or the Articles of Incorporation of the Company provide otherwise. The presiding officer may ask the shareholders for opinions on particular motion. If there is no objection, it shall be deemed the shareholders vote in favor of the motion which effect shall be the same as casting votes in favor of the motion.	XIV. **Election may also be held in the Shareholders' Meeting, and shall be governed by the rules and regulations of the Company governing elections. The election results should be announced on the scene, including the list of winners and the votes earned. The ballots shall be kept properly for at least one year. If legal proceedings is instated pursuant to Article 189 of the Company Act, the aforementioned materials shall be kept until the conclusion of the legal proceedings.**	This article is amended with reference to Article 14 of the **Scope of Reference.**

Before amendments	After amendments	Reason for amendments
XV. The presiding officer may announce for recess when the Shareholders' Meeting is in session.	XV. **The resolutions made by the Shareholders' Meeting shall be tracked as minutes of meeting on record, signed or sealed by the presiding officer and circulated to the shareholders within 20 days after the meeting. The production and circulation of the minutes of meeting on record may be done by electronic means or uploaded to MOPS for announcement. The year, month, day, venue, name of presiding officer, method of resolution, the summary of the procedures, and voting result (including the statistics on the votes cast) shall be noted down in the minutes of meeting on record. If an election for Directors was held, disclosed the votes earned by each Director elected to the seat. The record shall be kept within the perpetuity of the Company.**	This article is amended with reference to Article 15 of the **Scope of Reference**.
XVI. (Deleted)	XVI. **The Company shall keep statistics on the votes acquired by third parties requesting for votes and votes of the proxies in the standardized format on the day the Shareholders' Meeting is in session, and disclose the detail on the scene. If specific motion for resolution contains information of materiality under law or the requirements of Taiwan Stock Exchange Corporation, the Company shall upload the content to MOPS website by designated deadline.**	This article is amended with reference to Article 16 of the **Scope of Reference**
XVII. If there is an amendment to or substitute version of particular motion, the presiding officer shall combine the amendment and/or the substitute version to the original motion and decide the priority of voting. If the original motion, the amendment to the motion or the substitute version of the original motion is passed, it shall be deemed that with the passing of the motion no further resolution will be require	XVII. **The administrative staff shall wear ID or arm badge in the venue of the meeting. The presiding officer may command the prefects or security guard to maintain order of the meeting. In keeping order of the venue, prefects or security guards shall wear arm badge or ID marking the wording of "PREFECT." A sound amplifier may be provided at the venue of the meeting. The presiding officer shall stop shareholders from using loud**	1. This article is amended with reference to Article 17 of the **Scope of Reference**. 2. Article 18 was moved to and combined with this article.

Before amendments	After amendments	Reason for amendments
	speaking equipment not prepared by the Company. If specific shareholder violates the procedure of the meeting and defies the corrective action given by the presiding officer, and continue to hinder the normal progress of the meeting regardless of persuasion, the presiding officer shall order the prefects or the security guards to escort such shareholder to leave the scene.	
XVIII. The presiding officer may command the prefects (security guard) to maintain order of the meeting. In keeping order of the venue, prefects (security guards) shall wear arm badge or ID marking the wording of "PREFECT."	**XVIII. The presiding officer may announce for recess when the Shareholders' Meeting is in session. In the event of force majeure, the presiding officer may rule to halt the session, and announce for the continuation of the session at the right time. Pursuant to Article 182 of the Company Act, the Shareholders' Meeting may resolve to postpone or continue the session within 5 days.**	This article is amended with reference to Article 18 of the **Scope of Reference**.
XIX. Anything not covered by this Procedure shall be governed by the Company Act, the Articles of Incorporation of the Company, and other applicable laws.	XIX. **The convention of Shareholders' Meeting may be held in the area where the Company is located or a place convenient for the shareholders to travel to and suitable for holding meeting. In general, the meeting shall be held no earlier than 09:00 or no later than 15:00.**	**The original version of the articles is combined with Article I, with amendment made with reference to Article 5 of the Scope of Reference.**
XX. This Procedure shall come into effect at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.	XX. This Procedure shall come into effect for **enactment** at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendments thereto.	Revision of the wording.

Attachment 7

Taisun Enterprise Co., Ltd.

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

Before amendments	After amendments	Reason for amendments
III. In the election of Directors of the Company, candidates will be elected to the seats of Directors by the number of votes they earned in descending order. If two or more candidates who earned the same number of votes in the election, but there are no further seats available, these candidates shall engage in a lot drawing. The winner in the lot drawing will be entitled to the seat. The presiding officer shall act on behalf of the candidate absent from the election in the lot drawing.	III. In the election of Directors of the Company, candidates will be elected to the seats of **Independent** Directors or **Regular Directors** by the number of votes they earned in descending order. If two or more candidates who earned the same number of votes in the election, but there are no further seats available, these candidates shall engage in a lot drawing. The winner in the lot drawing will be entitled to the seat. The presiding officer shall act on behalf of the candidate absent from the election in the lot drawing. **The number of votes in the election as mentioned in preceding paragraph shall be based on the votes cast on the scene of the Shareholders' Meeting and the votes cast through electronic mean.**	Amendment was made in part with reference to the "Sample Version of the Procedure for the Election of Directors and Supervisors" with the addition of the calculation of the votes cast in the election.
(Addition)	**IV. If particular candidate was elected to the seat of Director and Independent Directors simultaneously, such candidate shall decide to take the seat of either the Director or the Independent Directors at the conclusion of the election, and shall not hold both positions at the same time. The vacancy left behind will be filled by the candidate who earned the next highest number of votes.** **The qualification requirement of the Independent Directors of the Company shall be in compliance with the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies."** **The election and appointment of Independent Directors of the Company shall be in compliance with the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies" and the "Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies."** **The eligibility of Directors of the Company shall be in compliance with the Company Act and other applicable legal rules.**	1. Addition of provisions. 2. Paragraph 1 of this article was added to elaborate under what status should a candidate to choose the position if elected as Director and Independent Director at the same time, and the vacancy should be filled by the candidate who earned the next highest number of votes in the election. 3. Addition of paragraph 2 in this provision with reference to Article 5 of the "Sample Version of the Procedure for the Election of Directors and Supervisors". 4. Addition of paragraph 3 in this article for the proper pursuit of corporate governance.
IV. The presiding officer shall appoint a number of scrutineers and tally clerks at the beginning of the election. These personnel shall perform their professed duties.	**V.** The presiding officer shall appoint a number of scrutineers and tally clerks at the beginning of the election. These personnel shall perform their professed duties.	1. Change the sequential order of the article. 2. Revision of t+he wording.

Before amendments	After amendments	Reason for amendments
V. The Company shall produce the ballots and assign the sequence number identical with the attendance pass number and mark down the number of entitled votes on the ballots.	**VI. The Board shall produce the ballots for the election of Directors, and assign the sequence number identical with the attendance pass number and mark down the number of entitled votes on the ballots. The ballots will be distributed to the shareholders who will attend the meeting or the proxies of the shareholders. Shareholders elected to cast vote by electronic means or correspondence shall follow the instructions of balloting as prescribed in the notice of Shareholders' Meeting.**	1. Change the sequential order of the article. 2. The Board shall produce the ballots, and shall specify electronic balloting is one form of balloting. Shareholders may choose electronic balloting as a method of casting votes in the election.
VI. Voters shall mark down the account title and the account number of the candidate in the field of "Candidate" on the ballot. If the candidate is not a shareholder, mark down the name and the ID number of the candidate. Where institutional shareholders may be the candidates, mark down the name of the institution in the field of candidate, or the name of the institution and the name of the representative. If there are a few representatives, put down the names of all representatives.	**VII. If the candidate is a shareholder,** mark down the account title and account number of the candidate in the field of "Candidate." If the candidate is not a shareholder, mark down the name and the identification document number of the candidate. Where the **government or** institutional shareholders may be the candidates, mark down the name of the institution in the field of candidate, or the name of the government or institution and the name of the representative. If there are a few representatives, put down the names of all representatives.	1. Change the sequential order of the article. 2. Revision of the content in part with reference to the "Sample Version of the Procedures for the Election of Directors and Supervisors."
VII. A ballot shall be nullified if any of the following applies: 1. Balloting in defiance of this set of regulations. 2. Putting a blank ballot into the ballot box. 3.The hand-writing is blurred that cannot be identified or the content has been marked for correction. 4. If the candidate marked down on the ballot is a shareholder. The identity, account number is not relevant with the content of the shareholders' registry. If the candidate marked down on the ballot is not a shareholder, the name, ID number was proved irrelevant. 5. Further to the name, account title or ID number of the candidate, other wordings are written on the ballot. 6. The name of the candidate is identical with another shareholder but no account number or ID number has been marked down for differentiation. 7. The names of two or more candidates were marked down on one ballot.	**VIII.** A ballot shall be nullified if any of the following applies: 1. Using **ballots not prepared by the Board for the election**. 2. Putting a blank ballot into the ballot box or **outside the ballot box.** 3. The **ballot is stained;** the hand-writing is blurred that cannot be identified or marked for correction. 4. If the candidate marked down on the ballot is a shareholder. The identity, account number is not relevant with the content of the shareholders' registry. If the candidate marked down on the ballot is not a shareholder, the name, identification document number was proven to be irrelevant. 5. Further to the name, account title, account number or identification document number of the candidate, other wordings are written on the ballot. 6. The name of the candidate is identical with another shareholder but no account number or identification document number has been marked down for differentiation. 7. The names of two or more candidates were marked down on one ballot or **the number of candidates marked down on a ballot exceeds the limit. The total number of votes marked down on the ballots exceeds the total number of votes in the election.** **8. The candidates marked on the ballots are neither the candidates for Director nor for Independent Director.**	1. Change the sequential order of the article. 2. Revision of the content in part with reference to the "Sample Version of the Procedures for the Election of Directors and Supervisors."

Before amendments	After amendments	Reason for amendments
VIII. After the balloting, the votes will be counted on the scene. The presiding officer shall announce the result of the election.	**IX.** After the balloting, the votes will be counted on the scene. The presiding officer or the **designated personnel** shall announce the result of the election. **The Company shall keep the ballots for the election specified in preceding paragraph for at least one year. In the event of legal proceedings instated pursuant to Article 189 of the Company Act by the Shareholders' Meeting, the ballots shall be kept until the conclusion of the proceedings.**	1. Change the sequential order of the article. 2. Amendment was made to reflect actual needs and with reference to the "Sample Version of the Procedures for the Election of Directors and Supervisors."
IX. The Company shall send a notice of election to office to each of the Director Elects	**X.** The Company shall send a notice of election to office to each of the Director Elects.	Change in the sequential order.
(Addition)	**XI. The Directors-elect shall issue a statement of consent by the deadline stated in the notice of elected to office to express their intent of assuming office. Those who did not issue the statement of consent by the deadline shall be construed as unwilling to assume office and abandonment of their entitlement to office.**	1. Addition of provisions. 2. The Directors-elects shall issue a statement of consent. Those who did not issue the statement of consent by the deadline shall be construed as unwilling to assume office and abandonment of their entitlement to office.
X. Anything not covered by the Regulations shall be governed by the Company Act and other applicable laws.	**XII.** Anything not covered by the Regulations shall be governed by the Company Act and other applicable laws.	Change in the sequential order.
XI. The Regulations shall come into effect at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.	**XIII.** The Regulations shall be subject to the resolution of the Shareholders' Meeting before enactment. The same procedure is applicable to any amendment thereto.	1. Change the sequential order of the article. 2. Amendment in alignment with applicable laws.

Attachment 8

Taisun Enterprise Co., Ltd.

Comparing the Procedures for the Acquisitions or Disposal of Assets before and after amendments

Before amendments	After amendments	Amendment Reason
Article 2: Scope of assets Assets as referred to in this Procedure shall cover the following: I. Investment of stocks, government bonds, corporate bonds, bank debentures, fund certificates, depository receipts, call (put)warrant, certificate of beneficial interests, and asset-back securities. II. Property (including lands, housing and structures, right of land use, and inventory of construction industry) and equipment. (skipped)	Article II: Scope of assets Assets as referred to in this Procedure shall cover the following: I. Investment of stocks, government bonds, corporate bonds, bank debentures, fund certificates, depository receipts, call (put)warrant, certificate of beneficial interests, and asset-back securities. II. Property (including lands, housing and structures, **investment property**, and inventory of construction industry) and equipment. (skipped)	Amendment in alignment of applicable laws
Article IV: Opinions from experts For acquisition of appraisal reports or the opinions from certified public accountants, lawyers, or securities underwriters, the professional appraisers and their appraisal staff, certified public accountants, lawyers or securities underwriters concerned shall meet the following requirements: (skipped)	Article IV: **Appraisal Reports** or Opinions For acquisition of appraisal reports or the opinions from certified public accountants, lawyers, or securities underwriters, the professional appraisers and their appraisal staff, certified public accountants, lawyers or securities underwriters concerned shall meet the following requirements: (skipped)	Amendments to the terminology used with reference to applicable laws.
Article XIV: Materials for submission to the Auditing Committee and the Board For acquisition or disposal of property or the right of use assets with related parties, or acquisition or disposal of other assets other than property or the right of use assets the transaction value of which exceeds 20% of the paid-in capital of the Company or 10% of the total assets of the company or over NT$300 million, except for the trading of domestic government bonds, RP and reverse RP bonds, subscription or redemption of money market funds issued by domestic securities investment trust firms, present the following materials to the Auditing Committee and the Board for resolution before proceeding to entering into trade agreement and effecting payment: (skipped)	Article XIV: Materials of **related party transactions** for submission to the Auditing Committee and the Board. For acquisition or disposal of property or the right of use assets with related parties, or acquisition or disposal of other assets other than property or the right of use assets the transaction value of which exceeds 20% of the paid-in capital of the Company or 10% of the total assets of the company or over NT$300 million, except for the trading of domestic government bonds, RP and reverse RP bonds, subscription or redemption of money market funds issued by domestic securities investment trust firms, present the following materials to the Auditing Committee and the Board for resolution before proceeding to entering into trade agreement and effecting payment: (skipped)	Amendments to the terminology used with reference to applicable laws.
Article XXXI: The scope and limit of investment by the parent company I. The total amount of non-operating property acquired by the Company shall not exceed 20% of the total assets of the Company. II. The total investment in securities by the Company shall not exceed 80% of the total assets of the Company. The total investment in particular securities shall not exceed 50% of the total assets of the Company. III. The total investment in bond funds at lower risk and profit margin shall not exceed 100% of the net worth of the Company.	Article XXXI: The scope and limit of investment by the parent company I. The total amount of non-operating property acquired by the Company shall not exceed 20% of the total assets of the Company. II. The total investment in securities by the Company shall not exceed 80% of the total assets of the Company. The total investment in particular securities shall not exceed 50% of the total assets of the Company. III. The total investment in bond funds at lower risk and profit margin shall not exceed **20%** of the net worth of the Company.	To meet the Needs of the Company in operation.

Appendix I

Taisun Enterprise Co., Ltd. Articles of Incorporation

Chapter I General Provisions

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

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

1 C105010 Edible Oil Manufacturing
2 C201010 Prepared Animal Feeds Manufacturing
3 A101020 Food Crops
4 A301030 Inland Fishing
5 A401020 Animal Husbandry
6 F203030 Retail Sale of Ethanol
7 C199010 Noodles, Flour Food Manufacturing
8 C104020 Bakery Food Manufacturing
9 F101040 Wholesale of Animal Husbandry
10 F101050 Wholesale of Aquatic Products
11 F102170 Wholesale of Food and Grocery
12 C805030 Plastic Made Grocery Manufacturing
13 C103050 Canned, Frozen, Dehydrated Food Manufacturing
14 F201010 Retail sale of Agricultural Products
15 A102060 Grain Commerce
16 C102010 Diary Products Manufacturing
17 C109010 Seasoning Manufacturing
18 F101130 Wholesale of Vegetable and Fruits
19 C199020 Edible Ice Manufacturing
20 F399010 Supermarkets
21 F301020 Supermarkets
22 H701020 Industrial Factory Buildings Lease Construction and Development
23 H701050 Public Works Construction and Investment
24 C199040 Bean and Preparations Manufacturing
25 H701010 Residence and Buildings Lease Construction and Development
26 C110010 Beverage Manufacturing
27 C111010 Tea Manufacturing
28 F102030 Wholesale of Tobacco Products and Alcoholic Beverages
29 F102040 Wholesale of Nonalcoholic Beverages
30 F102050 Wholesale of Tea
31 F106020 Wholesale of Articles for Daily Use
32 F107030 Wholesale of Cleaning Preparations
33 F108040 Wholesale of Cosmetics
34 F203010 Retail sale of Food and Grocery
35 F203020 Retail Sale of Tobacco and Alcoholic Beverages
36 F206020 Retail Sale of Articles for Daily Use
37 F207030 Retail Sale of Cleaning Preparations
38 F208040 Retail Sale of Cosmetics

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

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

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

Article 4: (Deleted)

Chapter II Shares

Article 5: The Company has stated capital of NT$8,000,000,000 and evenly split into 800,000,000 shares at NT$10/share in face value. The Board is authorized to offer the shares in tranches as needed. The Company may offer preferred shares from the unissued shared as mentioned in the preceding paragraph. The Company may offer shares without the printing of physical share certificate and shall register with Taiwan Depository and Clearing Corporation.

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

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

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

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

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

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

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

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

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

Article 9: (Deleted)

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

Article 10- 1: (Deleted)

Chapter III Shareholders' Meeting

Article 11: The Shareholders' Meeting may convene in the following 3 manners:
Annual Meeting of Shareholders – The Board shall call for the session within 6 months after the end of the fiscal year.
Special session of the Shareholders Meeting – convened at any time as required by law.
Shareholders Meeting for holders of preferred shares- convened at any time as required by law.

Article 12: (Deleted)

Article 13: Shareholders shall be notified 30 days prior to the convention of a Annual Meeting of Shareholders, and be notified 15 days prior to the convention of a special session.

Article 14: The Chairman shall be the presiding officer of the Shareholders' Meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of the Chairman, where applicable. In the absence of both the Chairman and the Vice Chairman, the Chairman shall appoint a proxy to act as the presiding officer. If not, the Directors shall nominate one among themselves to presiding over the meeting.

Article 15: (Deleted)

Article 16: If a shareholder is unable to attend a session of the Shareholders' Meeting in person, such shareholder may issue the power of attorney with the affixing of its authorized seal/signature thereunto, and appoint a proxy to attend pursuant to Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 17: If specific motions to be discussed and passed in the Shareholders' Meeting involved the personal interest of specific shareholders that may cause a conflict of interest with the Company, these shareholders shall recuse from voting. Likewise, these shareholders shall not act as proxies of other shareholders when voting.

Article 18: Unless the Company Act provides otherwise, resolutions of the Shareholders' Meeting shall be made by a session with the presence of shareholders representing more than half of the outstanding shares and a simple majority of the votes of consent cast by the shareholders in session. As per the requirement of the competent authority, the Company

may adopt voting by electronic mean. Shareholders casting their votes electronically shall be construed as their presence in the session in person. Matters pertinent to electronic balloting shall be governed by applicable laws. The resolutions made by the Shareholders' Meeting shall be tracked as minutes of meeting on record, with the affixing of the authorized signature/seal of the presiding officer, and the certified true copies of which shall be circulated to the shareholders within 20 days thereafter. The sign-in book of the Shareholders' Meeting, and power of attorney presented by proxies of shareholders, shall be kept by the Company. Publicly-traded companies may circulate the aforementioned minutes of meeting on record by announcement.

Chapter IV Directors and Auditing Committee

Article 19: The Company has established 5 -11 seats of Directors. Directors shall be elected through the nomination of candidates' system and by shareholders on the list of nominated candidates. Each Director has tenure of 3 years, and may assume another term of office if reelected. The total registered shares held by all Directors of the Company shall be governed by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies.

The Company shall allocate 3 seats for Independent Directors, among all other Directors. The ratio of Independent Directors shall not fall below 1/5 of the total seats of Directors. The determination of the professional qualification, quantity of shareholding, restriction of holding other positions, and independence of the Independent Directors, the method of nomination and election to the seats and other particulars of compliance shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.

The Company has established the Auditing Committee in 2016 in compliance with the Securities and Exchange Act. The previous functions of the Supervisors under the Company Act, Securities and Exchange Act, other applicable laws were replaced by the Auditing Committee. All the members of the Auditing Committee are Independent Directors and there shall be at least 3 members in the committee of whom 1 shall be the convener. At least one of the members shall specialize in accounting or finance. The functions, organization code, authority and other matters of compliance of the Auditing Committee shall be governed by the Company Act, Securities and Exchange Act and other applicable laws.

Article 19-1: The Board is authorized to determine the remunerations to the Chairman and Directors for their engagement in the operation of the Company with reference to the recommendation of the Remuneration Committee of the Company, their individual levels of participation in the operation and contribution value, and industry standard.

Article 19-2: The Board of the Company may establish other functional committees for operating needs, and shall institute the organization code of these committees.

Article 20: If 1/3 of the seats of Directors were left vacant, the Board shall call for a special session of the Shareholders Meeting for holding an election of Directors to fill the vacancies within 60 days.

The tenure for the newly elected Directors shall cover the remainder of the original term of office.

Article 21: If the term of office of Directors expires and no election of a new Board could be held, the tenure for these Directors shall be extended until a Board of Directors is elected and assumed office. However, the competent authority may order the Company to elect a new Board by a specific deadline within their power. If no election was being held, the previous term of the Board shall end on the expiration date.

Article 22: Directors shall be organized into the Board of Directors in a session attended by at least 2/3 of the Directors and at the consent of a simple majority of the Directors in session. The Directors in session shall nominate one among themselves to assume office as the Chairman and Vice Chairman for assisting the Chairman. The Chairman shall act on behalf of and in the name of the Company to administer all activities of the Company. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act on behalf of the Chairman, where applicable. In the absence of the Vice Chairman or if there is no Vice Chairman established and no proxy has been appointed, the Directors shall nominate one among themselves to act on behalf of the Chairman.

Article 23: The Chairman shall call for the convening of the Board except for the 1st session of a newly elected Board where the Director winning the majority of the votes shall call for the convening within 15 days after the election. The Chairman shall act as the presiding officer for all sessions of the Board. In the absence of the Chairman and there is the position of Vice Chairman established, the Vice President shall act on behalf of the Chairman. If no position of Vice Chairman is established or in the absence of the Vice Chairman, the Chairman shall appoint one Director as the presiding officer. If not, the Directors shall nominate one from among themselves to act as the presiding officer. The Board shall convene at least once quarterly, and may call for special session from time to time where necessary. The Board shall notify the Directors for convention by written notice, fax or electronic mean. If specific Director cannot attend a session of the Board, such Director may issue the power of attorney and specify the reason and the scope of authorization to appoint another Director to act as proxy to attend. Each proxy shall act in the name of and on behalf of only one other Director. The Board may convene through videoconferencing. Directors who participate in the videoconference shall be deemed attending the session in person.

Article 23-1: The functions of the Board

1. Calling for the convention of the Shareholders' Meeting and execution of its resolutions.
2. Review of corporate policy, mid and long-term development plan, review of annual plan and supervision for the implementation of the plan.
3. Review and approval of budget and account settlement.
4. Review and approval of the Articles of Incorporation of the Company and essential internal rules and regulations.
5. The establishment and cancellation, reorganization or dissolution of branches.
6. The appointment and dismissal of the president, vice presidents and managers of the Company.
7. Planning and study of the procurement and disposal of important investment and assets of the Company.

8. Review of the endorsement and guarantee and loaning of funds in favor of third parties by the Company.
9. Planning of the distribution of earnings and covering carryforward loss.
10. Planning for capitalization and decapitalization, and decision of issuing new shares.
11. Decision of seeking financing from financial institutions.
12. Recommendation to the Shareholders' Meeting regarding the amendment to the Articles of Incorporation, proposal for the dissolution, or merger of the Company.
13. The authority granted by Article 202 of the Company Act and other applicable laws.

Article 24: Unless the Company Act provides otherwise, all resolutions of the Board shall be made by a session with the presence of at least half of the Directors and a simple majority for consent of the Directors in session. The Chairman shall preside over the sessions of the Board. In the absence of the Chairman and there is the position of Vice Chairman established, the Vice President shall act on behalf of the Chairman. If no position of Vice Chairman is established and the Chairman has not appointed one Director as the presiding officer, the Directors shall nominate one from among themselves to act as the presiding officer.

Article 25: The resolutions of the Board shall be tracked as minutes of meeting on record, affixed with the authorized signature/seal of the presiding officer, and circulated among the Directors within 20 days after the session. The summary and result of the motions in discussion and voting shall be noted in the minutes of meeting on record. The minutes of meeting on record, the sign-in book for tracking attendance of the Directors and the power of attorney for appointment of proxies shall be kept by the Company.

Article 26: (Deleted)

Article 27: (Deleted)

Chapter V Managers

Article 28: The Company shall establish the positions for a number of managers and the appointment, dismissal, and remuneration of whom shall be determined in accordance with the Company Act.

Article 29: The managers shall administer all activities of the Company in conformity to the resolutions of and the empowerment of the Board.

Article 30: (Deleted)

Chapter VI Accounting

Article 31: The Company settles the accounts at the end of December of the year. The Board shall then prepare the following documents and statements and present to the Annual Meeting of Shareholders for recognition in due process of law.

1. Business Report
2. Financial Statements
3. Proposal for distribution of earnings or covering carryforward loss.

The aforementioned documents and statement shall be subject to the recognition of the Annual Meeting of Shareholders. The Board shall prepare the certified true copies of the aforementioned documents and statements for circulations to or in the form of announcements to make known to the shareholders in accordance with the Company Act and other applicable laws.

Article 32: The Company shall appropriate at least 2% of its earnings, if applicable, as remunerations to the employees and no more than 5% as remunerations to the Directors. If the Company has carryforward loss, the Company shall appropriate for covering such loss first.

The recipients of the aforementioned remunerations in stock or cash shall include the employees of the controlled companies or subsidiaries of the Company meeting specific conditions.

Article 32-1: The Company is well-developed in its operations with stable returns. In light of the anticipated capacity expansion and vertical development in the years ahead, the Company shall appropriate its earnings after taxation to cover carryforward loss in the first place, and 10% as legal reserve. The Company is not required to further appropriate for legal reserve if the amount is equivalent to its paid-in capital, and may proceed to the appropriation or reversal of special reserve for operation needs and in accordance with applicable laws. If there is still a balance, the Company will pool up the balance with the undistributed earnings carried forward from the previous year, and propose to appropriate 50% of this sum as stock dividends at the proposal of the Board and the approval of the Shareholders' Meeting. Cash dividend shall account for at least 30% of the total dividend paid out in the year and the remainder may be paid by stock dividends.

If the earnings per share falls below NT$0.1, the Board may retain the earnings and not be for distribution.

Chapter VII Miscellaneous

Article 33: The Company may undertake endorsement or guarantee in favor of outsiders at the consent of the Board and in compliance with the internal rules and regulations of the Company but not for personal guarantee.

Article 34: Anything not covered by the Articles of Incorporation shall be governed by the Company Act.

Article 35: The Articles of Incorporation of the Company and other rules and regulations shall be instituted separately by the Board.

Article 36: The Articles of Incorporation was duly instituted on 1960.09.07 Amendment for the 1st instance was made on 1965.06.20; Amendment for the 2nd instance was made on 1967.09.15; Amendment for the 3rd instance was made on 1969.04.20; Amendment for the 4th instance was made on 1970.06.25; Amendment for the 5th instance was made on 1972.06.20; Amendment for the 6th instance was made on 1962.08.15; Amendment for the 7th instance was made on 1973.04.18; Amendment for the 8th instance was made on 1973.05.20; Amendment for the 9th instance was made on 1974.01.30; Amendment for the 10th instance was made on 1974.04.01; Amendment for the 11th instance was made on 1975.12.02; Amendment for the 12th instance was made on 1976.08.17; Amendment for the 13th instance was made on 1978.01.10; Amendment for the 14th instance was made on 1978,10.24; Amendment for the 15th instance was made on 1981.01.20; Amendment for the 16th instance was made on 1981.06.11; Amendment for the 17th instance was made on 1983.07.04; Amendment for the 18th instance was made on 1984.04.26; Amendment for the 19th instance was made on 1984.11.20; Amendment for the 20th instance was made on 1984.04.01; Amendment for the 21st instance was made on 1985.08.15; Amendment for

the 22nd instance was made on 1986.05.10; Amendment for the 23rd instance was made on 1987.04.14; Amendment for the 24th instance was made on 1988.02.15 Amendment for the 25th instance was made on 1988.06.28 Amendment for the 26th instance was made on 1988.10.11 Amendment for the 27th instance was made on 1989.04.23; Amendment for the 28th instance was made on 1990.05.07; Amendment for the 29th instance was made on 1991.04.20; Amendment for the 30th instance was made on 1992.05.09; Amendment for the 31st instance was made on 1993.05.08; Amendment for the 32nd instance was made on 1994.06.03; Amendment for the 33rd instance was made on 1996.06.06; Amendment for the 34th instance was made on 1997.06.07; Amendment for the 35th instance was made on 1998.06.06; Amendment for the 36th instance was made on 1999.06.05; Amendment for the 37th instance was made on 2000.06.09; Amendment for the 38th instance was made on 2001.06.08; Amendment for the 39th instance was made on 2002.06.07; Amendment for the 40th instance was made on 2004.06.16; Amendment for the 41st instance was made on 2005.06.14; Amendment for the 42nd instance was made on 2006.06.14; Amendment for the 43rd instance was made on 2009.06.10; Amendment for the 44th instance was made on 2010.06.15; Amendment for the 45th instance was made on 2011.06.15; Amendment for the 46th instance was made on 2012.06.15; Amendment for the 47th instance was made on 2013.06.20; Amendment for the 48th instance was made on 2014.06.19; Amendment for the 49th instance was made on 2015.06.16; Amendment for the 50th instance was made on 2016.06.29; Amendment for the 51st instance was made on 2017.06.22; Amendment for the 52nd instance was made on 2018.06.27; Amendment for the 53rd instance was made on 2018.11.21; Amendment for the 54th instance was made on 2019.05.23; which shall come into force at the resolution of the Shareholders Meeting.

Taisun Enterprise Co., Ltd.

Chairman: Peter Chan

Appendix II

Taisun Enterprise Co., Ltd.

Parliamentary Procedures for Shareholders' Meeting

Date of amendment: 2019.05.23

1. The convention of Shareholders' Meeting shall be governed by this procedure unless the law provides otherwise.
2. The Company has prepared a sign-in book for the shareholders to sign-in for attendance or the shareholders attending the session should present their sign-in card in lieu of signing in.
3. The number of shareholders present in the Shareholders' Meeting shall be based on the record of the sign-in book or the submitted sign-in cards. The attendance and voting of shareholders shall be based on the quantity of outstanding shares being represented.
4. If it is the Board that calls for the convention of the Shareholders' Meeting, the Chairman shall act as the presiding officer. In the absence of the Chairman due to leave or other reasons, the Vice Chairman shall act as the presiding officer on behalf of the Chairman. In the absence of both the Chairman or the Vice Chairman due to leave or other reasons, the Chairman shall appoint one Director to act as the presiding officer. If the Chairman did not appoint a proxy, the Directors shall nominate one among themselves to act as the presiding officer. Where a third party beyond the Board may call for the convention of the Shareholders Meeting, such third party shall act as the presiding officer.
5. The Company may appoint the retained lawyers, certified public accountants or related personnel to attend the Shareholders' Meeting as observers.
6. The presiding officer shall announce the Shareholders Meeting in session at the scheduled time. If the presence of shareholders cannot represent more than half of the outstanding shares at that point of time, the presiding officer shall announce to postpone the session for twice only. Twice duration of delay shall not be more than 1 hour in total. If the session was postponed twice with the presence of shareholders representing less than 1/3 of the outstanding shares, the Shareholders Meeting may proceed to provisional resolution pursuant to Paragraph 1 in Article 175 of the Company Act. If the presence of additional shareholders in the Shareholders' Meeting could represent more than half of the outstanding shares before the adjournment of the session, the presiding officer may refer the provisional resolutions to the convention for a new round of voting pursuant to Article 174 of the Company Act.
7. If it is the Board that calls for the convening of the Shareholders' Meeting, the Board shall prepare the agenda, and proceed in accordance with the agenda. The agenda cannot be changed without the resolution of the Shareholders' Meeting. If an entitled third party beyond the Board calls for the convention of the Shareholders' Meeting, the rules of the preceding paragraph shall also be applicable. Before the agenda has been fully covered in the procedure (including extemporary motions), the presiding officer cannot announce the adjournment of the session without the resolution of the Shareholders' Meeting. Shareholders cannot appoint another presiding officer to continue the session in the same place or in another place after the announcement of the adjournment of the session.

8. Shareholders in session shall note down the summary of opinion to be expressed, the account number (or attendance pass number) and the account title, on the memo sheet before the expression. The presiding officer shall determine the order of expression of opinions by the shareholders. Shareholders who just expressed their opinions on the memo sheet without verbal expression shall be construed as no expression of opinion. If the content of verbal expression is irrelevant with the content stated in the memo sheet, the content of verbal expression shall prevail. No shareholders may interrupt the presentation of another shareholder unless at the consent of the presiding officer and the shareholder presenting the speech or the presiding officer shall stop the interruption.
9. The same shareholder may express his/her opinion on the same motion only twice, and may further express opinion on the same motion only at the consent of the presiding officer. Shareholders may have the floor for expression of opinion for up to 5 minutes for each instance. Shareholders who violate the rules of the preceding paragraph in expression of opinion or the opinion so expressed is beyond the scope of the motion will be stopped by the presiding officer.
10. Each institutional shareholder may appoint only one representative to the Shareholders' Meeting. If specific institutional shareholder appoints more than two representatives to the Shareholders' Meeting, only one representative may expression opinion on the same motion.
11. After a shareholder has expressed his/her opinion, the presiding officer may respond personally or appoint designated personnel to respond to the opinion.
12. If the presiding holds that discussion on particular motion is adequate that the motion should be referred to voting, announce to halt the discussion and proceed to voting.
13. The presiding officer shall appoint the scrutineers and the tally clerks and the scrutineers must be shareholders at the same time. The results of the balloting shall be announced on the scene and tracked on record.
14. Each motion shall be passed by a simple majority of the votes cast by shareholders in session unless the Company Act or the Articles of Incorporation of the Company provide otherwise. The presiding officer may ask the shareholders for opinions on particular motion. If there is no objection, it shall be deemed the shareholders vote in favor of the motion which effect shall be the same as casting votes in favor of the motion.
15. The presiding officer may announce for recess when the Shareholders' Meeting is in session.
16. (Deleted)
17. If there is an amendment to or substitute version of particular motion, the presiding officer shall combine the amendment and/or the substitute version to the original motion and decide the priority of voting. If the original motion, the amendment to the motion or the substitute version of the original motion is passed, it shall be deemed that with the passing of the motion no further resolution will be required.
18. The presiding officer may command the prefects (security guard) to maintain order of the meeting. In keeping order of the venue, prefects (security guards) shall wear arm badge or ID marking the wording of "PREFECT."
19. Anything not covered by this Procedure shall be governed by the Company Act, the Articles of Incorporation of the Company, and other applicable laws.
20. This Procedure shall come into effect at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.

Appendix III

Taisun Enterprise Co., Ltd.

Regulations Governing the Election of Directors

I. The Company shall hold election of Directors in accordance with the Regulations

II. The election of Directors for the Company shall be based on the nomination of candidates' system and accumulation of registered single votes. The election of Directors and Independent Directors will be held at the same time, and votes for the candidates to the relevant seats will be counted separately.

III. In the election of Directors of the Company, candidates will be elected to the seats of Directors by the number of votes they earned in descending order. If two or more candidates who earned the same number of votes in the election, but there are no further seats available, these candidates shall engage in a lot drawing. The winner in the lot drawing will be entitled to the seat. The presiding officer shall act on behalf of the candidate absent from the election in the lot drawing.

IV. The presiding officer shall appoint a number of scrutineers and tally clerks at the beginning of the election. These personnel shall perform their professed duties.

V. The Company shall produce the ballots with the assignment of sequence number identical with the attendance pass number and the mark down of the votes respective voters are entitled to.

VI. Voters shall mark down the account title and the account number of the candidates in the field of "Candidate." If the candidate is not a shareholder, specify the name and the ID number. Where institutional shareholders may be the candidates, mark down the name of the institution in the field of candidate, or the name of the institution and the name of the representative. If there are a few representatives, put down the names of all representatives.

VII. A ballot shall be nullified if any of the following applies:

1. Balloting in defiance of this set of regulations.
2. Putting a blank ballot into the ballot box.
3. The hand-writing is blurred that cannot be identified or the content has been marked for correction.
4. If the candidate marked down on the ballot is a shareholder, the identity, account number is not relevant with the content of the shareholders' registry. If the candidate marked down on the ballot is not a shareholder, the name, ID number was proven to be irrelevant.
5. Further to the name, account title or ID number of the candidate, other wordings are written on the ballot.
6. The name of the candidate is identical with another shareholder but no account number or ID number has been marked down for differentiation.
7. The names of two or more candidates were marked down on one ballot.

VIII. After the balloting, the votes will be counted on the scene. The presiding officer shall announce the result of the election.

IX. The Company shall send a notice of election to office to each of the Director Elects.

X. Anything not covered by the Regulations shall be governed by the Company Act and other applicable laws.

XI. The Regulations shall come into effect at the resolution of the Shareholders' Meeting. The same procedure is applicable to any amendment thereto.

Appendix IV

Taisun Enterprise Co., Ltd.

Procedure for the Acquisitions or Disposals of Assets

Date of amendment: 2019.05.23

Chapter I General Principle

Article 1: Legal Reference

This Procedure is instituted in accordance with Article 36-1 of the Securities and Exchange Act of the Republic of China and the "Criteria for the Acquisitions or Disposals of Assets by Public Companies" established by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter, "FSC").

Article 2: Scope of assets

Assets as referred to in this Procedure shall cover the following:

I. Investment of stocks, government bonds, corporate bonds, bank debentures, fund certificates, depository receipts, call (put)warrant, certificate of beneficial interests, and asset-back securities.
II. Property (including lands, housing and structures, right of land use, and inventory of construction industry) and equipment.
III. Memberships.
IV. Patents, copyrights, trademarks, franchise rights and other intangible assets.
V. Right-of-use assets.
VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
VII. Derivatives.
VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
IX. Other major assets.

Article 3: Terms and definitions

The terms and definitions used in this Procedures are specified as follows:

I. Derivatives

These are forwards contracts, options contracts, futures contracts, leverage margin contracts, and swaps, the value of which is derived from the underlying interest rate, financial instrument price, commodity price, exchange rate, price, or fee rate index, credit rating or credit index, or other variables, and the combinations or combined contracts of embedded derivatives or structured products.

Forwards contracts do not include insurance contracts, performance contracts, post-delivery service contracts, long-term lease agreement and long-term buy (sell) agreements.

II. Assets acquired or disposed by corporate merger, spinoff, acquisitions or assignments of shares under law:

These are the assets acquired or disposed through merger, spinoff, or acquisition under the Business Mergers and Acquisitions Act, Financial Holding Companies Act, and Financial Institutions Merger Act, or other applicable laws, or the acceptance of new shares assigned by issuers under Article 165-3 of the Company Act (hereinafter referred to as, "Assignees of Shares").

III. Related parties, subsidiaries:

Subject to the rules under the Regulations Governing the Preparation of Financial Reports by

Securities Issuers.

IV. Professional appraisers:

They are the real estate appraisers or other appraisal firms engaged in the appraisal of property and equipment under law.

V. Day of deed:

This refers to the contract signing day, payment day, transaction of trade order day, account transfer day, Board resolution day, or any other days that help to determine the counterparties and the transaction amount, whichever comes first. If it is the day of approval by the competent authority for investment, it will be the earlier the aforementioned dates or the day on which the approval of the competent authority is received.

VI. Investment in Mainland China:

The investment in Mainland China under the Regulations Governing the Permission of Investment or Technical Joint Ventures in Mainland China established by the Investment Commission of the Ministry of Economic Affairs.

VII. Investment is the profession:

Financial holding companies, banks, insurance companies, bills finance firms, trust firms, securities dealers engaged in proprietary trade and underwriting, commission futures merchants, securities investment trust firms, securities investment consulting firms and fund management firms established under law and regulated by the competent authority governing financing and banking in the place of incorporation.

VIII. Stock Exchange:

The domestic securities exchange is Taiwan Stock Exchange Corporation. Securities exchanges in foreign countries are the organized securities markets regulated by the competent authorities of respective countries.

IX. Over-the-Counter Securities Market

The domestic over-the-counter securities market shall be the Taipei Exchange governed by the Regulations Governing Securities Trading on the Taipei Exchange. Over-the-counter securities markets in other countries shall be the offices of the financial institutions regulated by the competent authorities governing securities in respective countries and are permitted to engage in securities trade.

Article 4: Opinions of the experts

For acquisition of appraisal reports or the opinions from certified public accountants, lawyers, or securities underwriters, the professional appraisers and their appraisal staff, certified public accountants, lawyers or securities underwriters concerned shall meet the following requirements:

I. No violation of this law, the Company Act, Banking Act, Insurance Act, Financial Holding Companies Act, Business Entities Accounting Act or act of fraud, breach of trust, criminal conversion, forgery of documents or other crimes from business operation and sentence for a prison term of longer than one year. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

II. The counterparty of trade shall not be a related party or a party with a de facto relationship.

III. The Company may have to acquire appraisal reports issued by at least two professional appraisers, these professional appraisers or their appraisal staff shall not be related parties to one another or have de facto relation with one another.

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

I. Before taking the case, assess the professional capacity, practical experience and independence of your own carefully.

II. In affirming the case, prepare a proper plan and pursue in appropriate operation procedure so as to arrive at conclusion and issue a report or opinions. Keep the details of the procedure of pursuit, information gathered and conclusion as an integral part of the work sheets.

III. Assess for the integrity, accuracy and rationality of the sources of data, parameters, and information as the foundation for issuing appraisal report or opinions.

IV. The declaration shall cover the information on the professional standing, independence of related personnel, and the information adopted in the appraisals as justifiable and accurate, and in compliance with applicable laws.

Chapter II Appraisal and Operating Procedures

Part I: Appraisal Procedures

Article 5: Method of the determination of price and references

I. Securities acquired from or disposed to centralized markets or OTC markets at home or overseas shall be appraised on the basis of the transaction prices in open market, and to be executed by the Financial Office along the line of gate approval.

II. For the acquisitions or disposals of securities in the centralized market or OTC markets at home or overseas, consider the net value per share, profitability, potential for development in the future, or the opinions of the certified public accountants retained for certification, and determine the transaction price through price comparison and bargaining, and executed by the Financial Office along the line of gate approval.

III. In the acquisition or disposals of property and other fixed assets, consult the posted present value, appraised value, the actual transaction price of property in the immediate area and determine the transaction price by price comparison, bargaining, or tender invitation along the line of gate approval. After the acquisition of assets, follow the rules and regulations of the Company in registration, management, and use. If experts are to be invited to express opinions as required by this Procedure, retain professional appraisal firms for appraisals or obtain the opinions from certified public accountants.

Part II: Operating Procedures

Article 6: Authorized Limit

IV. In investing or disposing bond funds (including money market funds) as instruments for day-to-day fund allocations, the Company and subsidiaries shall comply with applicable laws and the internal control system of the Company. If the total investment falls below 10% (inclusive) of the net worth of the Company, present to the Chief Financial Officer for approval. If the total investments are more than 10% of the net worth of the Company, the approval of the Chairman will be required.

V. Further to the aforementioned circumstances of acquiring or disposing assets, the Chairman shall be authorized to make decision on investment falling below 10% of the net worth of the Company or NT$50,000,000 (inclusive) and investment in other amount shall be subject to the resolution of the Board before proceeding.

Article 7: Gate approval

The processing functional unit shall prepare a written request for the acquisition or disposal of assets, and refer the request to the competent authority of the Company for approval along the line of gate approval. The acquisitions or disposal of assets shall be governed by the internal control system and related rules and regulations of the Company.

Article 8: Executioners

The Financial Office shall be the executioner of investment in long and short-term securities. The execution of the acquisition and disposal of assets shall be relevant functional units with empowerment.

Chapter III Transaction Process

Part I: The acquisitions or disposal of assets

Article 9: Property or other fixed assets

In acquiring or disposing property, equipment or right of use assets, except transactions with domestic government agencies, commissioning of construction on proprietary land, commissioning of construction on leased lands, or the acquisition or disposal of business equipment or other right of use assets, the Company shall obtain the appraisal reports issued by professional appraiser prior to the day of deed if the transaction amount exceeds 20% of the paid-in capital of the Company or NT$300 million and shall comply with the following:

I. If limited price, designated price or special price have to be considered as reference for the transaction price due to specific reasons, present to the Board for resolution before proceeding. The same procedure is applicable to any change in the terms and conditions of transactions thereof.

II. If the amount of transaction exceeds NT$1 billion, appraisals conducted by at least two professional appraisers will be necessary.

III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(I) If the appraisal result and the transaction amount varied by more than 20%.

(II) If the appraisal results of two or more professional appraisers and the transaction amount varied by more than 10%.

IV. The date on which the professional appraisers issued the appraisal report shall not be longer than three months from the date of entering into agreement. If the posted present value of the same period is applicable and the period is shorter than six months, the original professional appraiser shall express an opinion in writing.

Article 10: Securities

In acquiring or disposing securities, the Company shall obtain the audited or reviewed financial statements of the issuers as reference for the evaluation of the transaction price prior to the day of deed. If the amount of transaction exceeds 20% of the paid-in capital or NT$300 million, consult a certified public accountant to express an opinion for the reasonability of the transaction price prior to the day of deed. If the certified public accountants choose to adopt the report of experts, proceed to SAS No. 20 released by the Accounting Research and Development Foundation. If the securities in point have open quotations from an active market or the competent authority regulated otherwise, this rule shall be waived.

Article 11: Membership cards or intangible assets

The Company may acquire or dispose membership cards or intangible assets or the right of use assets exceeding 20% of the paid-in capital of the Company or NT$300 million, consult a certified public accountant for expression of opinion for reasonability of the transaction price except for transactions with domestic government agencies. The certified public accountant shall proceed to SAS No. 20 released by the Accounting Research and Development Foundation.

Article 11-1

The calculation of the transaction amount in the preceding three articles shall be based on Paragraph 2 in Article 29. The period of one year as referred to shall be the duration from the day of deed in retrospect for one year. The amount of transaction supported by the appraisal reports issued by professional appraisers or the opinion of the certified public accountant as required by the Regulations could be excluded from calculation.

Article 12: Assets acquired through court auction

The Company may acquire or dispose assets through court auction, the certification documents issued by court could be used as the substitute for the appraisal reports or the opinion of the certified public accountant.

Part II: Related Party Transaction

Article 13: Procedure, evaluation and counterparties

In acquiring or disposing assets with related parties, the Company shall proceed to related procedures in resolutions as specified in preceding paragraphs and this part of the Regulations, and evaluate the terms and conditions for reasonability of the transaction. If the transaction amount exceeds 10% of the total assets of the Company, follow the rules of the preceding paragraph by obtaining the appraisal reports issued by professional appraiser or the opinion of the certified public accountant.

The calculation of the aforementioned transaction amount shall be governed by the rules of Article 11-1.

When judging whether or not a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 14: Materials for submission to the Auditing Committee and the Board

For acquisition or disposal of property or the right of use assets with related parties, or acquisition or disposal of other assets other than property or the right of use assets the transaction value of which exceeds 20% of the paid-in capital of the Company or 10% of the total assets of the company or over NT$300 million, except for the trading of domestic government bonds, RP and reverse RP bonds, subscription or redemption of money market funds issued by domestic securities investment trust firms, present the following materials to the Auditing Committee and the Board for resolution before proceeding to entering into trade agreement and effecting payment:

I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
II. The reason for choosing the related party as a transaction counterparty.
III. In acquiring property or the right of use assets from related parties, proceed to Article 15 and Article 16 for assessing if the terms and conditions of transaction are reasonable and obtain related information.
IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
VII. Restrictive covenants and other important stipulations associated with the transaction.

Proceed to Article 29-2 in calculating the amount of the aforementioned transaction. The period of one year as referred to shall be the duration from the day of deed in retrospect for one year. The amount of transaction supported by the resolution of the Auditing Committee and the Board under the Regulations could be excluded from calculation.

For transactions between the Company and its subsidiaries, or wholly-owned companies directly or indirectly held by the Company by equity share or capital investment, the Board shall authorize the Chairman pursuant to Article 6 to make decision with specific limit, and present to the nearest session of the Board for recognition.

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

2. Acquisition or disposal of real property right-of-use assets held for business use.

If the Company has established the seats for Independent Directors, present to the Board for discussion under paragraph 1 and fully consider the opinions of the Independent Directors. If there is adverse opinion or qualified opinion from the Independent Directors, note down as minutes of the Board meeting on record.

If the Company has established an Auditing Committee, the consent of at least 1/2 of the members of the Auditing Committee will be required before presenting to the Board for resolution. In the absence of the consent of more than 1/2 of the members of the Auditing Committee, the consent of at least 2/3 of the Directors will be required. In addition, the resolution of the Auditing Committee should be stated as the minutes of Board meeting on record.

Article 15: In acquiring property or right of use assets from related parties, the Company shall proceed with the following in appraising the rationality of the cost of transactions:

I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

In the acquisition or disposal of property or other rights of use assets with related parties, the Company shall proceed to paragraph 1 and paragraph 2 in appraising the cost of the property or the right of use assets, and consult a certified public accountant for a second review and expression of substantive opinion.

If any of the following applies to the acquisition or disposal of property or the right of use assets with related parties, proceed to Article 40 where the rules of the preceding 3 paragraphs shall not be applicable:

(I) The related party acquired the property or the right of use assets from succession or as gifts.

(II) The time the related party entered into agreement on the acquisition of property or the right of use assets is longer than five years from the date of entering into agreement on this transaction.

(III) Entering into agreement with related parties on joint-venture construction, or commissioning of construction on proprietary lands, commissioning of construction on leased lands, for acquisition or property through commissioning related parties for construction work.

(IV) The acquisition of right of use of property for business purpose between the Company and its subsidiaries, wholly-owned companies directly or indirectly held by the Company in equity shares or capital.

Article 16: If the appraisal results as mentioned in paragraph 1 and paragraph 2 of the preceding article fall below the transaction price, proceed to Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

(I) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

II. The Company proved with evidence that the property acquired from related parties or right of use of property through leasing from related parties are relevant with the cases of transactions with unrelated parties with similar floor areas and in the immediate area in the terms and conditions of transaction within one year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 17: Procedure for responding to unreasonable transaction price

If the Company acquired property or the right of use assets from related parties where the appraisal results as mentioned in Article 15 and Article 16 is lower than the transaction price, proceed to the following:

I. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

II. The Auditing Committee shall proceed to Article 218 of the Company Act.

III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If the Company has appropriated for special reserve as stated in the preceding paragraph, this special reserve may be used only when the assets purchased or leased at a higher price has been recognized for devaluation or disposed, or the lease is terminated or with appropriate compensation or recovery to original condition, or proved as not unreasonable with other evidence subject to the competent authority governing securities.

If the Company acquires property or the right of use assets from related parties, and there is evidence incriminating that the transaction falls beyond arm’s length, proceed to the rules stated in the preceding two paragraphs.

Part III Derivatives Trade

Article 18: Principles and Policies of Trade

I. Type of transactions:

Derivatives are contracts for transactions the value of which is derived from the underlying assets, interest rate, exchange rate, index or other beneficial interests (such as forwards contracts, options, futures, swaps and the composite contracts of the above instruments). Excluding insurance contracts, performance contracts, post-delivery service contracts, long-term lease agreement and long-term buy, sell agreements.

II. Operation and hedge strategy:

The Company engaged in derivative trade for hedging and non-hedging but under the strategy of hedging in operation.

III. Segregation of authority and responsibility

Derivatives trade of the Company shall be conducted in accordance with the authorities and responsibilities specified as follows further to this procedure:

(I) The Board:

1. Senior executives designated for the conduct of derivatives trading.
2. Approval of the type of trace and executor of trade.

(II) Senior executives designated by the Board

1. Supervision and control of the risk from derivative trade.
2. Conduct routine evaluation on the performance of derivative trade for assurance of conformity to the corporate strategy and within the risk tolerance of the Company.
3. Conduct routine assessment of the risk management procedure in effect for assurance of appropriateness and in conformity to this procedure.
4. In the event of unusual market price in the evaluation report (the position is at the stop loss point), report to the Board at once and take necessary measures in responding to the situation.

(III) Executor of trade

1. Mapping out the trading strategy within the authorized limit and conduct the trade.
2. Gathering information on applicable laws and the market.
3. Providing transaction vouchers and information on position holding on due time.

IV. Performance Evaluation:

Conduct evaluation of the performance on the basis of the difference between the cost in book and the agreed price on the position of derivative trade.

The Finance Office shall assess the hedge trade conducted for business needs at least twice a month, and present the assessment report to the competent authority of the Company.

V. Transaction limit and cut loss limit

(I) Transaction Limit

The contract sum of derivate trade for hedging shall be based on the actual need of the hedge position, and shall be classified as follows:

1. Exchange rate derivatives: the contract sum before maturity and the upper limit of realized position shall not exceed 20% of the sale value.
2. Interest rate derivatives: the realized position shall be the upper limit of the contract sum before maturity.
3. Other derivatives: the realized position shall be the upper limit of the contract sum before maturity.

The aforementioned realized position shall be the actual or contingent assets or liabilities.

(II) Cut loss limit

The cut loss limit of the derivatives trading of the Company shall be 3% of the net worth for the total of derivative contracts and the upper limit of loss for particular contract is 10% of the agreed price of contract. Seeing that the Company engaged in derivatives trading for hedging purposes, the Board will establish relevant risk management mechanisms depending on the characteristics of individual contracts, and the status of the hedge position to determine if it is necessary to square up the position.

(III) Departments, limits, and corporate levels authorized for the conduct of trade:

This will be governed by the “Regulations Governing Derivative Trade” of the Company.

Article 19 Risk Management Policy

I. Management of Credit Risk

The counterparties of trade shall be limited to the service banks of the Company or banks in good credit standing and can provide professional information.

II. Management of Market Risk

Mainly in the open foreign exchange market for the banks and customers.

III. Liquidity Risk Management

Choosing financial instruments with higher liquidity. The trading banks must have sufficient information and capable of conducting trade in any market at any time.

IV. Cash flow

Conduct routine assessment on cash flow position to understand the reasonable use of cash.

V. Operation Risk Management

Duly observe the authorized limit and operation procedure to avoid operation risk.

VI. Management of Legal Risk

All documents between financial institutions and the Company must be properly reviewed before signing. In case of legal problems, the Company shall retain professional legal counsel for settlement.

Article 20： Internal Control

The Company shall uphold the principle of stability and healthy operation in conducting derivative trade and in conformity to the following requirements of internal control:

I. The dealing, confirmation, and settlement of derivative trade shall be performed by different persons. No single person may perform all these tasks at the same time.

II. The Office of the General Manager shall perform the duties of the measurement, monitoring and control of risk, and shall report to the senior officers authorized by the Board who are not engaged in trading or responsible for decision-making of position at least twice a year.

III. The position of derivatives trading shall be subject to evaluation at least twice a month. The evaluation report shall be submitted to the senior officers authorized by the Board.

Article 21: Supervision Management

The Board shall follow the principles specified below in the monitoring and management of derivative trade of the Company:

I. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.

II. Periodically evaluate whether or not the derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

I. Evaluate the risk management policy in effect at regular intervals for assurance of appropriateness and in conformity to this procedure.

II. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

The derivatives trading of the Company shall be conducted by related authorized personnel of the Company in accordance with the Procedure for Derivative Trade of the Company and reported to the nearest session of the Board on the result.

Article 22: Internal Audit System

The Company shall establish a record book for tracking derivatives trading. The content shall cover the type of derivative trade, the amount, the date of resolution by the Board, and the items for cautious evaluation under paragraph 3 in Article 20, sub-paragraph 2 under paragraph 1 and paragraph 2 of Article 21.
The internal auditors of the Company should understand if the internal control of derivative trade is appropriate, and conduct audit on the derivative trade monthly for assurance of conformity to the procedure. The audit findings should be compiled into reports. If a material breach of rules and regulations is discovered, report to the Auditing Committee in writing.

Part IV Corporate mergers, spinoff, acquisitions and acceptance of assigned shares

Article 23 Opinions of the experts

In proceeding to merger, spinoff, acquisition or acceptance of assigned shares, the Company shall, prior to the convention of the Board for resolution, retain certified public accountants, lawyers or securities underwriters to express opinion on the rationality of the ratio of share swap, acquisition, price, the cash paid to the shareholders or other assets, and present the opinions to the Board for discussion and decision. However, the merger between the Company and wholly-owned subsidiaries directly or indirectly held by the Company by equity shares or total capital, or between the wholly-owned subsidiaries directly or indirectly held by the Company by equity shares or total capital, the aforementioned opinions from experts could be waived.

Article 24: Decision-Making Body

I. When participating in merger, spinoff or acquisition, the Company shall prepare information on the content of the essential agreement on the merger, spinoff or acquisition and related matters as public documents for the shareholders prior to the convention of Shareholders' Meeting. These documents should be combined with the opinions of the experts and notice of convention of Shareholders' Meeting for delivery to the shareholders as reference for approval of the shareholders on merger, spinoff or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger or acquisition, this restriction shall not apply.
II. When participating in merger, spinoff or acquisition and Shareholders' Meeting of any side of the merger, spinoff, or acquisition cannot be convened and resolutions cannot be made due to the lack of a quorum, inadequate votes for approval, or restricted by law, or the motion was vetoed by the Shareholders' Meeting, the Company shall explain publicly the reason, subsequent action, and the expected date for the convening of the Shareholders' Meeting.
III. In participating in merger, spinoff or acquisition, the Company shall call for the convention of the Board and the Shareholders' Meeting on the same day for resolution of merger, spinoff, or acquisition and related matters unless the law specified otherwise, or under special circumstance that the prior consent of FSC is necessary.
IV. In participating in the acceptance of assignment of shares, the Company shall call for the convention of the Board on the same day unless the law specified otherwise, or under special circumstance that the prior consent of FSC is necessary.
V. In participating in the acceptance of assignment of shares, the Company shall compile the following materials into complete written record for keeping for a period of 5 years for reference and viewing. In addition, the Company shall also declare the information as stated in paragraph 1 and paragraph 2 below in designated format to the competent authority of securities for reference filing via the Internet within 2 days from the day of resolution of the Board.
    (I) Basic information on the personnel: including all personnel participating in the merger, spinoff, acquisition or the acceptance of assignment of shares planning or executor of the plan prior to the disclosure of information, their titles, names, ID numbers (passport number in the case of foreign nationals).
    (II) Date of essential matters: including the dates of entering into Statement of Intent or MOU, appointment of financial or legal advisor, entering into agreements, and convention of the Board.
    (III) Important documents and minutes of meeting: including the plans of merger, spinoff, acquisition, or acceptance of the assignment of shares, statement of intent or MOU, major agreements and the minutes of the Board meeting on record.
VI. In participating in the acceptance of assignment of shares, and if the counterparties are not companies listed at TWSE or TPEx, the Company shall comply with the requirements stated in the preceding paragraph when entering into agreements with these companies.

Article 25: Undertaking of Confidentiality

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spinoff, acquisition or transfer of shares.

Article 26: Changes in the ratios of share swaps or acquisition price.

In participating in the acceptance of assignment of shares, the Company shall not change the ratio of share

swap or the acquisition price unless under the following circumstances, and shall specify the conditions for changes in merger, spinoff, acquisition, or acceptance of assignment of shares in the agreements:

I. capital injection, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
II. An action, such as a disposal of major assets, that affects the company's financial operations.
III. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 27: Additional Information

In participating in merger, spinoff, acquisition, or acceptance of the assignment of shares, the Company shall specify the rights and obligations of companies participating in the merger, spinoff, acquisition or acceptance of the assignment of shares and the following in the agreements:

I. Handling of breach of contract.
II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
IV. The manner of handling changes in the number of participating entities or companies.
V. Preliminary progress schedule for plan execution, and anticipated completion date.
VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 28: Important Notice

I. If the Company has participated in a merger, spinoff, acquisition or acceptance of the assignment of shares, and any of the participants in the merger, spinoff, acquisition, or acceptance of the assignment of shares intends to engage in merger, spinoff, acquisition, or acceptance of the assignment of shares with other companies after the information was disclosed, all participants in the original merger, spinoff, acquisition or acceptance of the assignment of shares have to proceed to a new round of procedure or legal action already accomplished unless the number of participants decreased and the Shareholders' Meeting has resolved and authorized the Board to make changes that the participants are not required to call for a new round of convention of Shareholders' Meeting.
II. If the Company participates in a merger, spinoff, acquisition, or acceptance of the assignment of shares involved participants who are not publicly-traded companies, the Company shall enter into agreement with these participants and proceed to Paragraph 2 of Article 24, Article 25 and this article.

Chapter IV Procedures for Announcement and Declaration

Article 29: Standards of announcement and declaration

If any of the following applies to the acquisition or disposal of assets by the Company, the Company shall announce and declare related information with FSC at designated website by nature of the transactions and in designated format within two days thereafter:

I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; Except for the trading of domestic government bonds, RP and reverse RP bonds, subscription or redemption of money market funds issued by domestic securities investment trust firms.
II. Merger, spinoff, acquisition or transfer of shares.
III. The loss from derivatives trading is at the cut loss point in all or on particular contracts under the procedure.

IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
   (I) A. For a public company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
   (II) Publicly-traded companies with paid-in capital of NT$10 billion and the transaction amount exceeds NT$1 billion.

V. For acquisition or disposal of property or right of use assets for business use from the construction business and the counterparties are not related parties and the amount of transactions fall below NT$500 million, where the paid-in capital is more than NT$10 billion, and the property in disposal is self-built projects and the counterparties of trade are not related parties and the amount of transaction is more than NT$1 billion.

VI. The acquisition or property through commissioning of construction on proprietary lands, commissioning of construction on leased lands, joint-venture in construction with sharing of finished premises, joint-venture in construction with sharing of proceeds, and joint-venture in construction with split up of premises for separate sale, and the counterparties of trade are not related parties, and the anticipated amount of investment made by the Company is less than NT$500 million.

VII. Further to the asset trade as stated in the preceding 6 paragraphs, disposal of right of debts with financial institutions, and investment in Mainland China and the amount of transaction is more than 20% of the paid-in capital of the Company or NT$300 million. Except the following:
   (I) Trading of domestic government bonds.
   (II) Investment is the profession with trading of securities in domestic or overseas Stock Exchange or Securities Brokerage, or at the domestic primary market for subscription of regular corporate bonds for raising capital and regular bank debentures (excluding subordinated debentures) not related to equity or the subscription or redemption of securities investment trust funds or futures trust funds, or subscription of securities by Securities Brokerage for the needs of underwriting and acting as supervisor and recommendation of companies listed at the emerging stock market as required by Taipei Exchange.
   (III) Trading of RP and reverse RP bonds, subscription or redemption of money market funds issued by domestic securities trust firms.

The amount of transactions above shall be calculated as follows:

I. The amount of any individual transaction.

II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

III. The amount of the acquisition or disposal of property or right of use assets of the same development project accumulated in one year (separate accumulation for acquisition and disposal).

IV. The amount of the acquisition or disposal of the same securities accumulated in one year (separate accumulation for acquisition and disposal).

One year as referred to in the preceding paragraph shall be based on the day of deed in retrospect for one year. The portion already announced under this procedure could be excluded in the calculation.

The Company shall enter the information on the status of derivative trade conducted by the Company and subsidiaries which are not domestic publicly-traded companies by the end of the previous month in the format and to the declaration website designated by the Securities and Futures Bureau by the 10th day of each month.

In case of errors or missing details of the information for announcement as required, the Company shall take corrective action within 2 days after the acknowledgement of the error and missing detail in a new round of announcement and declaration.

In acquiring or disposing assets, the Company shall keep related contracts, minutes of meeting, record books, appraisal reports, opinions expressed by certified public accountants, lawyers, or securities underwriters at the office of the Company for at least 5 years unless the law specified otherwise.

Article 30: Important notice

If any of the following applies to the transactions required for announcement and declaration under the preceding article, the Company shall enter related information to the designated website of Securities and Futures Bureau for announcement and declaration within 2 days from the day of deed.

I. Change, termination or rescission of a contract signed in regard to the original transaction.
II. The merger, demerger, acquisition or transfer of shares is not completed by the scheduled date set forth in the contract.
III. Change to the originally publicly announced and reported information.

Chapter V Scope and Limit of Investment for the Company and Subsidiaries

Article 31: The scope and limit of investment by the parent company

I. The total amount of non-operating property acquired by the Company shall not exceed 20% of the total assets of the Company.
II. The total investment in securities by the Company shall not exceed 80% of the total assets of the Company. The total investment in particular securities shall not exceed 50% of the total assets of the Company.
III. The total investment in bond funds at lower risk and profit margin shall not exceed 100% of the net worth of the Company.

Article 32: The scope and limit of investment by subsidiaries

I. The total amount of non-business property acquired by respective domestic subsidiaries of the Company shall not exceed 20% of the total assets of respective subsidiaries.
II. The total investment in securities by respective domestic subsidiaries shall not exceed 80% of the total assets of respective subsidiaries, and the total investment in particular securities by respective domestic subsidiaries shall not exceed 50% of the total assets of respective subsidiaries.
III. The total investment in securities by respective overseas subsidiaries shall not exceed 150% of the total assets of respective subsidiaries, and the total investment in particular securities by respective domestic subsidiaries shall not exceed 120% of the total assets of respective subsidiaries.
IV. The total investment in low risk and low profit margin bond funds by respective subsidiaries shall not exceed 100% of the net worth of respective subsidiaries.

Article 33: Definition of paid-in capital of the Company

The standard of investment limit denotes that “paid-in capital of the company” will be the capital actually received by the Company or the subsidiary.

Chapter VI Control over the Subsidiaries

Article 34: Control over the subsidiaries

For acquisition or disposal of assets by subsidiaries of the Company which are not domestic publicly-traded companies and are required to announce and declare under Chapter IV, the Company shall make announcement and declaration for these companies.

If the aforementioned subsidiaries shall be governed by the standards of announcement and declaration under paragraph 1 in Article 29, which is at 20% of the paid-in capital or 10% of the total assets, the paid-in capital or total assets of the Company shall be the basis for calculation.

Where the subsidiaries of the Company may need to acquire or dispose assets for business needs, proceed to the “Regulations Governing the Acquisitions or of Assets by Public Companies” and related requirements under the procedure in establishing related procedures for the acquisition or disposal of assets and issue legitimate self-audit reports to the parent company for audit review before proceeding to the acquisition or disposal of assets.

Article 34-1:

The requirement of 10% of the total assets specified in the procedure is based on the total assets presented in the separate financial statements covering the most recent period compiled under the financial statements compilation standard of the Company.

For shares issued by foreign companies without face value or the face value is not NT$10/share, the limit of transaction amount at 20% of the paid-in capital as specified in the procedure shall be attributable as 10% of the shareholders’ equity of the parent company in the calculation.

Chapter VII Miscellaneous

Article 35: Penalty

If specific personnel violate the “Regulations Governing the Acquisitions or Disposal of Assets by Public Companies” established by the Securities and Futures Bureau, or the rules and regulations under the procedure, these personnel shall be subject to penalty under the Regulations Governing Reward and Punishment of the Company depending on the severity of the violation.

Article 35-1: this article is deleted.

Article 36: Amendment procedure

I. This procedure shall come into force at the consent of the Auditing Committee and the approval of the Board with presentation to the Shareholders Meeting for consent. The same procedure is applicable to any amendment thereto. In case of adverse opinions from the Directors on record or in a written declaration, the Company shall refer the information on the adverse opinions to the Auditing Committee.
II. If the Company has established the seats for Independent Directors and present the procedure for the acquisitions and disposals of assets to the Board for discussion under the requirement of the preceding paragraph, take the opinions of the Independent Directors in full account and specify the adverse opinions or qualified opinions of the Independent Directors, where applicable, as minutes of Board meeting on record.
III. If the Company has established an Auditing Committee, the institution or amendment to the procedure for the acquisitions or disposals of assets shall be subject to the approval of at least 1/2 of the members of the Auditing Committee and the final approval of the Board.
IV. In the absence of the consent of more than 1/2 of the members of the Auditing Committee, but approved by more than 2/3 of the members of the Board, specify the resolution of the Auditing Committee as minutes of Board meeting on record.
V. All members of the Auditing Committee and all Directors as mentioned in paragraph 3 shall be those who are in office.

Appendix V

Shares held by all Directors:

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

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

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

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

Date of information: 2020.02.29

Title	Name	Quantity of shares stated in Shareholders Registry
Director	Shen Yang Investment Corporation Limited Representative: Peter Chan	2,630,570
Director	Jing Xun Investment Industrial Corporation Limited Representative: Fred Chan	2,805,082
Director	Chan Hao-Jun	2,774,738
Director	Dechen Enterprise Co., Ltd. Representative: Chan Pei-Shan	1,979,353
Independent Director	Wu Chieh-Hsin	0
Independent Director	Sun Chu-Wei	0
Independent Director	Hsu Yung-Chang	0
Total		10,189,743

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

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

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

Note 3: All Directors hold 10,189,743 shares, plus the holding of the representatives in separate accounts at TDCC totaled 5,813,000 shares, which makes up the total of 16,002,743 shares, which has met the requirement of minimum shareholding by all Directors at 16,000,000 shares.