



Lien Hwa Industrial Holdings
Corporation
(Original name: Lien Hwa Industrial
Corporation)

General Shareholders' Meeting 2021

Parliamentary Procedure
Handbook

June 22, 2021

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Lien Hwa Industrial Holdings Corporation
(Original name: Lien Hwa Industrial Corporation)
Procedures of 2021 General Shareholders' Meeting

Date and time: 9:00 am, June 22, 2021 (Tuesday)

Venue: 1F Conference Room, Building B, No. 209, Sec. 1, Nangang Rd., Nangang Dist.,
Taipei City

One. Announcement of session

Two. Address of the Chairman

Three. Report matters

- I. 2020 Business report
- II. Audit Committee's Review Report on 2020 Financial Statements
- III. Allocation of 2020 Remuneration to Employees and Directors
- IV. Distribution of 2020 cash dividends

Four. Recognized matters

- I. Approved 2020 Business Report and Financial Statements
- II. Approved Distribution of 2020 Profits

Five. Discussion matters

- I. Capital Increase by Recapitalization of Earnings and Offering of New Shares
- II. Amendment to the "Articles of Incorporation"
- III. Amendment to the "Rules of Procedure for Shareholders' Meetings"
- IV. Amendment to the "Procedures for Election of Directors"

Six. Election matters

- I. Election of the Company's 23rd Board of Directors (including independent directors)

Seven. Other matters

- I. Proposed agreement to lift competition restrictions on the Company's newly elected directors

Eight. Extemporaneous motion

Nine. Meeting adjourned

Three. Report matters

I. 2020 Business Report

Explanatory Notes: For the 2020 Business Report, please refer to pages 10–12, Attachment I.

II. Audit Committee’s Review Report on the 2020 Financial Statements

Explanatory Notes: Audit Committee’s Review Report on the 2020 Financial Statements, please refer to pages 13, Attachment II.

III. Allocation of 2020 remuneration to employees and directors

Explanatory Notes: I. Pursuant to Article 28 of the Company’s Articles of Incorporation, the Company shall appropriate not more than 1% of the remaining earnings (after offsetting accumulated deficit), if any, as remuneration to directors (including independent directors), and no less than 1% as remuneration to employees.

II. After evaluating the 2020 operating performance and remuneration of the peers in the same industry, the Company’s Remuneration Committee and the Board of Directors approved that the 2020 remuneration to Directors (incl. Independent Directors) be NT\$ 9,100,000; remuneration to employees be NT\$ 3,120,239, accounting for 0.3% and 0.1% of the total earnings of the year, respectively. The remunerations are distributed in the form of cash.

IV. Distribution of 2020 cash dividends

Explanatory Notes: I. In accordance with Article 28 of the Article of Incorporation, the Board of Directors are authorized to distribute all or part of the earnings in the form of cash, and report the matter to the shareholders’

meeting.

- II. NT\$ 2,178,546,966 of the Company's earnings for the period is appropriated as cash dividends, at NT\$ 1.7 per share. The cash dividends distributed is rounded down to the nearest NTD, and the fractional-cents are recognized in the Company's "Other income."
- III. All the cash dividends were distributed by May 20, 2021.

Four. Recognized matters

Motion No. 1

Proposed by the Board

Cause of motion: Propose for action in favor of the 2020 Business Report and Financial Statements

Explanatory Notes: I. The Company's 2020 business report and financial statements have been approved by the Board of Directors and reviewed by the Audit Committee. Please refer to pages 10–31, Attachment I to III.

II. Hereby apply for recognition.

Resolution:

Motion No. 2

Proposed by the Board

Cause of motion: Propose for action in favor of the distribution of 2020 profits

Explanatory Notes: I. The details of the distribution of 2020 cash dividends are as follows:

Statement of retained shares distribution 2020		Unit: NTD
I.	Opening undistributed earnings	5,727,881,245
II.	Net profit after tax for the year	3,098,729,849
III.	Total of other adjustments for the year	117,334,950
	Add: Changes in the re-measurement of defined benefit plan for the period	1,988,163
	Add: Changes in the equity of the investees and their subsidiaries	115,346,787
IV.	The sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings	3,216,064,799
	Less: Provision of 10% legal reserve	(321,606,480)
V.	Current earnings available for distribution	8,622,339,564
VI.	Distribution of earnings for the current year	
	Shareholders' dividend - cash (NT\$ 1.7 per share, NT\$ 1,700 per thousand shares)	2,178,546,966
	Shareholders' dividend - shares (NT\$ 1 per share, 100 shares per thousand shares)	1,281,498,210
VII.	Undistributed earnings carried over to the following year	5,162,294,388
Notes:		
I.	2018 undistributed earnings are first used for the distribution of cash dividends, and then 2020 earnings.	
II.	The cash and share dividend payout ratio in the statement of retained shares distribution is calculated based on the total outstanding shares (1,281,498,215 shares) as of April 24, 2021.	

II. For this distribution of dividends, 2018 undistributed earnings are first used for the distribution of cash dividends, and then 2020 earnings. 2020 earnings are first used for the distribution of share dividends

III. Hereby apply for recognition.

Resolution:

Five. Discussion matters

Motion No. 1

Proposed by the Board

Cause of motion: Capital increase by recapitalization of earnings and offering of new shares

Explanatory Notes: I. Considering the future business development needs of the Company, as of the end of 2020, NT\$ 1,281,498,210 from the distributable earning is appropriated as dividends to shareholders, and 128,149,821 new shares were issued for capital increase. Based on the outstanding shares (1,281,498,215 shares) as of April 24, 2021, the 100 new shares are distributed to every one thousand shares. The actual payout ratio is calculated based on the shareholdings of shareholders registered on the shareholder roster as of the capital increase reference date.

II. For the distribution of share dividends, where a fractional percentage of the shares held by one shareholder is insufficient to subscribe for one new share, the fractional percentages of the original shares held by several shareholders may be combined for joint subscription of one or more integral new shares. The joint subscription is registered at the Transfer Agency Dept. of CTBT Bank. In circumstances where any shareholders fail to register for joint subscription or the joint subscription is insufficient to subscribe for one new share, cash dividend will be distributed instead (rounded down to the nearest NTD). The unsubscribed shares shall be purchased by the specific persons appointed by the Chairman at par value with cash.

III. The shares issued in this dividend distribution are entitled with the same rights and obligations as the original shares. Once approved by the shareholders' meeting and submitted to the competent authority for approval, the board of directors is authorized to set another reference date for capital increase, which will be announced separately at that time.

- IV. In the event that the Company elects to repurchase outstanding shares, reassign treasury stock to the employees, or retire the stock, to the extent that the total quantity of outstanding shares and the share dividends to shareholders are affected, it is proposed at the shareholders' meetings to authorize the Board be in full authority for such matter.
- V. If there is any changes to the plan of the capital increase by recapitalization due to the law or as required by the competent authority, such matter is proposed at the shareholders' meetings to authorize the Board in full authority for such matter.
- VI. Hereby apply for approval.

Resolution:

Motion No. 2

Proposed by the Board

Cause of motion: Amendment to the "Articles of Incorporation"

- Explanatory Notes:
- I. For the practical business needs of the Company, partially amended "Articles of Incorporation" is proposed. Please refer to pages 32–40, Attachment IV.
 - II. Hereby apply for approval.

Resolution:

Motion No. 3

Proposed by the Board

Cause of motion: Amendment to the "Rules of Procedure for Shareholders' Meetings"

- Explanatory Notes:
- I. With reference to Tai-Zheng-Zhi-Li-Zi Announcement No. 1100001446 dated January 28, 2021 issued by Taiwan Stock Exchange Corp., partially amended "Rules of Procedure for Shareholders' Meetings" is proposed. Please refer to pages 41–44, Attachment V.
 - II. Hereby apply for approval.

Resolution:

Motion No. 4

Proposed by the Board

Cause of motion: Amendment to the “Procedures for Election of Directors”

- Explanatory Notes:
- I. With reference to Tai-Zheng-Zhi-Li-Zi Announcement No. 1090009468 dated June 3, 2020 issued by Taiwan Stock Exchange Corp., partially amended “Procedures for Election of Directors” (or “Rules Governing the Election of Directors” before revision) is proposed. Please refer to pages 45–53, Attachment VI.
 - II. Hereby apply for approval.

Resolution:

Six. Election matters

Motion No. 1

Proposed by the Board

Cause of motion: Election of the Company's 23rd Board of Directors (including independent directors)

- Explanatory Notes:
- I. The term of office of the Company's 22nd Board of Directors will expire on June 25, 2021. Overall election for the Board of Directors is proposed at the 2021 General Shareholders' Meeting.
 - II. Pursuant to Article 19 of the Articles of Incorporation, the Company shall establish 7-10 seats of directors, among which are at least 3 seats of independent directors, with tenure of 3 years. It is proposed at the 2021 General Meeting of Shareholders to elect 10 seats of directors, among which are 3 seats of independent directors. The newly elected directors shall take office upon the election day. The term of office shall be from June 22, 2021 to June 21, 2024. The nomination candidate system shall be adopted in this election.
 - III. The candidate list of directors (including independent directors) has been reviewed by the board meeting on May 10, 2021. The shareholders shall elect new directors from this candidate list. For the list and relevant information, please refer to pages 54-56, Attachment VII.
 - IV. Hereby apply for election.

Election results:

Seven. Other matters

Motion No. 1

Proposed by the Board

Cause of motion: Agreement to lift competition restrictions on the Company's newly elected directors

Explanatory Notes: I. In accordance with Article 209 of the Company Act, board directors that have acted within the Company's business scope for themselves or others should explain their behavior during the shareholders' meeting to obtain permission.

II. A director newly elected at the 2021 General Shareholders' Meeting may do things for himself or on behalf of another person that is within the scope of the company's business. To meet actual needs, it is proposed to lift competition restrictions on the Company's directors, representatives of institutional directors, and representative of institutional shareholders who are elected as directors.

III. For agreement to lift competition restrictions on the Company's newly elected directors, please refer to pages 57, Attachment VIII.

IV. Hereby apply for approval.

Resolution:

Eight. Extemporary Motion

Nine. Meeting adjourned

**Lien Hwa Industrial Holdings Corporation
Business Report**

In 2020, the world suffered the impact of COVID-19, which severely affected global economic development. In the face of the pandemic, our investments in industrial gases, petrochemicals, food manufacturing, and leasing businesses have maintained positive growth in profitability.

I. 2020 Business results

1. Consolidated revenue and profitability

With the devotion and efforts of all employees, we managed to maintain good operating results in 2020. The consolidated revenue amounted to NT\$ 9.54 billion, with an increase of NT\$ 1.27 billion from the year 2019. The growth is mainly due to the system integration service business being included in the calculation of consolidated revenue starting April 2019. In 2020, the percentages of each business in the consolidated revenue were 43.5% for the noodle business, 41.2% for the system integration service business, 8.1% for the investment business, 3.6% for the real estate leasing business, and 3.6% for the retail and food service channel business.

The net income attributable to owners of the parent company was NT\$ 3.1 billion, which is an increase of 12% compared to 2019, and the earnings per share (EPS) after tax was NT\$2.43. The Company did not disclose its 2020 financial forecast. Thus, no completion of financial forecast is to be disclosed.

2. R&D

- (1) Noodle business: We develop new products with our advantage of professional powder mixing technology. The R&D expenditure incurred by the R&D Center for the year 2020 was NT\$ 39.74 million.
- (2) Information business: We have applied for and obtained a number of patents including “Electronic automatic inventory device for RFID-tagged items”, “Visualization system for artificial intelligence inference”, “IP-based converter for UAV flight controller”, “Electronic sensor ticket checker”, and “Face recognition machine”.

3. Operating results

- (1) Lien Hwa Industrial Holdings Corp. was ranked in the 6%-20% range of the 2019 Annual Corporate Governance Review by the Taiwan Stock Exchange.
- (2) Lien Hwa Milling Foods Corp. obtained the Clean Label.
- (3) Jian Foods Inc. launched its new product, “Cepis32 Multi-Grain Powder”,

and was awarded nutrient prize and silver prize of “2020 Eatender Senior-Friendly Food Award” - beverage category by Council of Agriculture, Executive Yuan.

- (4) MiTAC Information Technology Corp. was awarded “Taiwan Excellence Award 2020” for its “Third Generation E-Gate System.”

4. Corporate social responsibility

In order to strengthen the communication channels with our stakeholders, we have prepared a CSR report. Please refer to the Company’s official website for more details. In 2020, we participated in charity activities at The Mustard Seed Mission, Saint Mary Garden of St. Joseph’s Social Welfare Foundation, Hualian Anders Special Education School, and Yu Jen Special Education School. We have also held a blood donation activity. Through the implementation of social welfare activities, we hope to care for the disadvantaged in society and take practical actions to care for people in need.

II. Summary of 2021 Business Plan

Looking ahead to 2021, with the progress of global vaccine administration, the economy is expected to recover moderately and there lies opportunities for further growth in the operations of the Group’s business. The development strategies are as follows:

1. Noodle business

We continue to research new products, expand product diversification, expand the export markets, increase export sales, cooperate with domestic and foreign industries, and seek investment and cooperation opportunities to expand the market share.

2. Real estate business

We work with business partners to develop idle lots, and increase the value of land use through government land rezoning policies.

3. System integration business

With our self-developed MiCloud 2.0 (cloud service), MiAION (edge server), and MiAIOT (data exchange platform for the IoT), we have built the foundation for AIoT solutions and continue to achieve and grasp digital transformation business opportunities.

III. Impacts of the external competitive environment, regulatory environment, and the overall business environment

In the noodle business, raw materials were affected by the climate change and the US monetary easing policy, causing abnormal price and exchange rate fluctuations. We maintain a close working relationship with downstream companies to respond to the impact of changing external conditions by grasping the changes in wheat production conditions and closely monitoring exchange rate fluctuations.

In terms of laws and regulations, we have established an ISO 17025 accredited food safety laboratory to ensure the implementation of food safety regulations. In addition, in order to speed up the promotion of corporate governance of the listed companies, the competent authorities have been revising corporate governance-related regulations. Besides complying with the requirements of the laws and regulations, we strive for self-improvement in all areas in order to achieve the goal of continuous improvement in corporate governance.

In terms of system integration services, according to the “Digital Transformation Assessment” of the “Institute for Information Industry”, only 23% of Taiwan companies have put forward a digital transformation development strategy, and nearly half of the companies have not yet made a clear transformation plan. The market is full of opportunities. System integration integrates various emerging technologies such as cloud computing, IoT, block chain, virtualization, AI, and 5G. We look forward to working with our customers to create a win-win situation.

Despite the impact of the epidemic, monetary easing brought inflationary pressure in various countries, and the political war between the US and China has also caused economic impacts. However, with the administration of vaccine, the epidemic will gradually subside, and consumption will recover. We are positive with opportunities in 2021 global economics. We will continue to integrate the Group’s internal resources, prudently evaluate our investment strategies and maximize the benefits of our operations for our shareholders.

Sincerely,

Chairman: Matthew Feng-Chiang
Miau

President: Roger Lin

Chief Accountant: Wen-Ching Yen

Audit Committee's Report

The board of directors prepared the 2020 financial statements and hired KPMG for the audit. CPAs Linda Chiang and Liu-Feng Yang of KPMG were appointed as the auditors and the audit was complete. The financial statements, 2020 business report, and the profit distribution proposal were audited by the Audit Committee to be in compliance with the Company Act and other relative laws. We hereby issue the above Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

For

2021 Annual Shareholder's Meeting of Lien Hwa Industrial Holdings Corporation

Lien Hwa Industrial Holdings Corporation

Audit Committee convener: Lo-Hou Chew

March 30, 2021

Independent Auditors' Report

To the Board of Directors and Shareholders of Lien Hwa Industrial Holdings Corporation:

Opinion

We have audited the consolidated balance sheet of Lien Hwa Industrial Holdings Corporation (Original name: Lien Hwa Industrial Corporation) and its subsidiaries (LHIHC Group) as at December 31, 2020 and 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement, and the notes to consolidated financial statements (including the summary of significant accounting policies) for the year ended December 31, 2020 and 2019.

In our opinion, all material disclosures of the consolidated financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms, international financial reporting standards approved by the Financial Supervisory Commission, the International Accounting Standards and interpretations thereof, and presented a fair view of the consolidated financial position of LHIHC Group as at December 31, 2020 and 2019, and consolidated business performance and cash flow for the year ended December 31, 2020 and 2019.

Basis for opinion

We have conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibility to the standards will be explained in the paragraph of auditor's responsibilities when auditing the consolidated financial statements. All relevant independent personnel subject to the CPA professional ethics within the firm remain independent from the LHIHC Group and implement responsibilities regulated in the ethics. We believe we have obtained sufficient appropriate audit evidence to serve as the basis for the audit opinion.

Key audit matters

Key audit matters are the most important matters that we audit in the 2020 consolidated financial statements of the LHIHC Group based on our professional judgment. All relevant matters were audited during the audit of the consolidated financial statements and the formulation of the audit opinions. We will not express our opinions on those matters separately. The key audit matters that we determine shall be listed on the audit report include:

Recognition of revenue

Regarding the accounting policies for the recognition of revenue, please see note 4(16) to the Consolidated Financial Statements; for the important accounting estimate and the uncertainty assumed, please see note 6(23) to the Consolidated Financial Statements.

Description of the key audit matters:

LHIHC Group- The main product of the noodle business is flour made from wheat. The product is sold by distributors and chained stores. In addition, the food company will purchase the product to make food and sells it to the consumer. Since the main customers of the Group are distributors, chained stores and food companies, whether LHIHC Group gives the sales discount correctly is important to the recognition of revenue of the company. As a result, it is a matter we need to highly focus on when auditing the financial statements.

Corresponding audit process:

The audit process we perform for the above key audit matters includes: We learn the reason of the sales discount and evaluate the accounting policies for recognition; We evaluate whether the management performs the recognition of the sales discount pursuant to the existing accounting policies of the Company; We perform sampling inspection to verify relative forms along with vouchers and check the if the calculation is correct.

LHIHC Group- It is a business group of integrated system service with the main business including information engineering projects and intelligent projects. The completion percentage is estimated pursuant to the accounting standards and the income of the engineering project is calculated based on that percentage and the total contract price. We have to refer to the internal and external vouchers and certain estimated information to calculate the completion percentage; as a result, the calculation is more complex. The income amount is a major item and, therefore, a matter of high focus during the auditing of the financial statements.

Corresponding audit process:

Our main audit process for the above key audit matters include: We learn and examine whether the design and implementation of the internal control mechanism is effective. The mechanism is related to the correctness of the estimated completion percentage and the project income recognition. In addition, we evaluate whether the use of the accounting policies in the calculation of the completion percentage are consistent. We also perform substantive tests on the project contract details that are not complete at the end of the period. This way, we can ensure the estimated completion percentage and the project income recognition are correct.

Other matters

We hereby express an unqualified opinion in favor of Lien Hwa Industrial Holdings Corporation on the financial statements of the parent company only so prepared for 2020 and 2019.

The responsibility of the management and the governing body for the consolidated financial statements

The management is responsible for preparing the appropriate consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms, international financial reporting standards approved by the Financial Supervisory Commission, the International Accounting Standards and interpretations thereof. Additionally, it is responsible for

maintaining the internal control mechanism that is related to and necessary for the preparation of the consolidated financial statements. As a result, it can ensure material misstatement due to fraud or error is not pertained in the consolidated financial statements.

Other than the situation that the management intends to liquidate LHIHC Group or stop the business, or no other approaches can be used except for these two measures, during the preparation of the consolidated financial statements, the responsibility of the management also includes evaluating the going concern capacity of the LHIHC Group, disclosure of relative matters, and adoption of the going concern accounting basis.

The governing body of the LHIHC Group (including the Audit Committee) has the responsibility to supervise the financial reporting procedures.

Our responsibility for the audit of the consolidated financial statements

The purpose for us to audit the consolidated financial statements is to obtain reasonable assurance that there is no material misstatement due to fraud or error in the consolidated financial statements, and we issue the audit report afterwards. Reasonable assurance means high assurance. Only that the audit work implemented in accordance with the generally accepted auditing standards cannot give the promise that every material misstatement in the consolidated financial statements are found. Misstatement might result from fraud or error. If we can reasonably expect the individual amounts or the total amount in the misstatement would influence the financial decision made by the user of the consolidated financial statements, the misstatement is considered material.

When performing the audit according to the generally accepted auditing standards, we exercise professional judgment and remain skeptical professionally. We also perform the following work:

1. We identify the material misstatement resulting from fraud or error in the consolidated financial statement and assess its risk. We design and implement appropriate corresponding measures for the assessed risk. We acquire sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Due to the fact that fraud might include collusion, forgery, intended omission, misstatement and violation of internal control, the risk of the misstatement resulting from fraud is higher than that resulting from error.
2. We acquire necessary understanding of the internal control mechanism that is related to the audit to design appropriate audit process for the situation at the time. The purpose of the knowledge is not expressing opinions to the effectiveness of the internal control mechanism of the LHIHC Group.
3. We evaluate whether the accounting policies adopted by the management are suitable and whether the accounting estimation as well as relative disclosures are appropriate.
4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of Lien Hwa exist, and whether there is major uncertainty. A conclusion will be made afterwards. We believe under the circumstances that there is major uncertainty, a reminder shall be included in the audit report to inform the consolidated financial statements user to pay attention to

relative disclosures in the statements. We shall modify the audit opinion when the disclosure is considered improper. Our conclusion is based on the audit evidence acquired as of the date of the audit report. Future events or circumstances might still result in the fact that LHIHC Group no longer has the going concern capacity.

5. We evaluate the overall statements, structures and contents of the consolidated financial statements (including relative notes) and see whether the statements appropriately state relevant transactions and events.
6. We examine the financial information of individual companies within the Group to acquire sufficient and appropriate audit evidence for expressing opinions in the consolidated financial statements. We are responsible to guide, supervise and implement the audit for the Company. In addition, we are responsible for the formulation of opinions for the company.

We communicate with the governing body on the scope and time of the audit as well as the significant findings (including significant deficiencies of the internal control mechanism identified during the audit process).

We have issued a declaration of independence to the governing body, which assured that all relevant personnel within the CPA firm had complied with ethical rules of the CPA profession. Besides, we mention the relation or situation that may compromise the CPA's independence (including relevant preventive measures) to the governing body.

After communicating the above matters with the governing body, we decide the key audit matters in the 2020 consolidated financial report of LHIHC Group. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

The engagement partners on the audit resulting in this independent auditors' report are Linda Chiang and Liu-Fong Yang

KPMG

Taipei, Taiwan (Republic of China)
March 30, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

Lien Hwa Industrial Holdings Corporation
(original name: Lien Hwa Industrial Corporation) and Subsidiaries

Consolidated comprehensive income statement

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars , except for earnings per common share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (note 6(23) and 7)	\$ 9,544,161	100	\$ 8,271,293	100
5000	Operating cost (note 6(6) and 7)	7,507,842	79	6,401,664	77
	Operating gross profit	2,036,319	21	1,869,629	23
	Operating expenses:				
6100	Marketing expense	542,076	6	516,260	6
6200	Management expense	400,519	4	361,734	4
6300	R&D expenses	39,745	-	41,172	-
6450	Estimate credit (reversal gain) loss (note 6(4))	3,917	-	(4,907)	-
		986,257	10	914,259	10
	Net operating profit	1,050,062	11	955,370	13
	Non-operating income and expenses:				
7100	Interest revenues (note 6(25))	15,552	-	16,366	-
7010	Other revenues (note 6(25))	270,363	3	245,949	3
7020	Other profit and loss (note 6(25) and 7)	(5,312)	-	567,198	7
7050	Financial cost (note 6(25))	(65,642)	(1)	(60,063)	(1)
7060	Shareholding in the profit or loss of the affiliated companies and joint ventures under the equity method (note 6(7))	2,367,346	25	1,556,253	18
		2,582,307	27	2,325,703	27
	Net income before tax	3,632,369	38	3,281,073	40
7951	Less: Income tax expenses (note 6(20))	132,915	1	134,977	2
	Net income	3,499,454	37	3,146,096	38
8300	Other comprehensive income:				
	Titles not reclassified into income				
8311	Re-measurement of defined benefit plan	1,111	-	11,067	-
8316	Unrealized valuation gains and losses from the equity instrument investment measured at fair value through other comprehensive income	4,078,024	43	987,607	12
8320	Share of other comprehensive income of affiliates and joint ventures under equity method	1,030,067	11	895,461	11
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items not reclassified into profit or loss	5,109,202	54	1,894,135	23
8360	Titles potentially reclassified into income subsequently				
8361	Exchange difference in the financial statements of foreign operations	116,816	1	67,971	1
8370	Share of other comprehensive income of affiliates and joint ventures under equity method	62,608	-	(291,542)	(4)
8399	Less: Income tax related to items may be reclassified	-	-	-	-
	Total items may be subsequently reclassified into profit or loss	179,424	1	(223,571)	(3)
8300	Other comprehensive income in current period (net amount after tax)	5,288,626	55	1,670,564	20
	Total comprehensive income	<u>\$ 8,788,080</u>	<u>92</u>	<u>\$ 4,816,660</u>	<u>58</u>
	Net profit attributable to:				
8610	Parent company shareholders	\$ 3,098,730	33	\$ 2,766,816	33
8620	Non-controlling interests	400,724	4	379,280	5
	Net income	<u>\$ 3,499,454</u>	<u>37</u>	<u>\$ 3,146,096</u>	<u>38</u>
	Total comprehensive income attributable to:				
8710	Parent company shareholders	\$ 6,482,305	38	\$ 4,307,156	52
8720	Non-controlling interests	2,305,775	24	509,504	6
	Total comprehensive income	<u>\$ 8,788,080</u>	<u>92</u>	<u>\$ 4,816,660</u>	<u>58</u>
	EPS (unit: NTD) (note 6(22))				
9750	Basic earnings per share	<u>\$ 2.43</u>		<u>2.17</u>	
9850	Diluted earnings per share	<u>\$ 2.43</u>		<u>2.17</u>	

Lien Hwa Industrial Holdings Corporation (original name: Lien Hwa Industrial Corporation) and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to the owners of the parent company

	Share capital		Retained earnings			Other equities			Total equity attributed to parent company shareholders	Non-controlling interests	Total equities
	Common stock share capital	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statements of foreign operations	Unrealized loss and profit of financial assets at fair value calculated through other comprehensive income	Treasury stocks			
Balance on January 1, 2019	\$ 10,521,332	766,253	2,811,777	141,843	8,015,257	(195,325)	2,491,349	(2,393)	24,550,093	70,509	24,620,602
Net income (loss)	-	-	-	-	2,766,816	-	-	-	2,766,816	379,280	3,146,096
Other comprehensive income	-	-	-	-	14,649	(206,410)	1,732,101	-	1,540,340	130,224	1,670,564
Total comprehensive income	-	-	-	-	2,781,465	(206,410)	1,732,101	-	4,307,156	509,504	4,816,660
Allocation and distribution of earnings:											
Legal reserve appropriated	-	-	247,629	-	(247,629)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,683,413)	-	-	-	(1,683,413)	-	(1,683,413)
Common stock dividends	526,067	-	-	-	(526,067)	-	-	-	-	-	-
Changes of affiliates and joint ventures under equity method	-	(10,195)	-	-	(8,748)	-	-	-	(18,943)	-	(18,943)
Stock purchased by the subsidiary from the parent company that deemed as the treasury stock	-	-	-	-	-	-	-	(182,370)	(182,370)	-	(182,370)
Distribution of dividend to the subsidiary to adjust the additional paid-in capital	-	9,063	-	-	-	-	-	-	9,063	-	9,063
Disposal of investments under the equity method	-	-	-	-	1,278,836	16,802	(1,278,836)	-	16,802	-	16,802
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	65,004	-	(65,004)	-	-	-	-
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	10,051,790	10,051,790
Balance on December 31, 2019	11,047,399	765,121	3,059,406	141,843	9,674,705	(384,933)	2,879,610	(184,763)	26,998,388	10,631,803	37,630,191
Net income	-	-	-	-	3,098,730	-	-	-	3,098,730	400,724	3,499,454
Other comprehensive income	-	-	-	-	(6,741)	179,351	3,210,965	-	3,383,575	1,905,051	5,288,626
Total comprehensive income	-	-	-	-	3,091,989	179,351	3,210,965	-	6,482,305	2,305,775	8,788,080
Allocation and distribution of earnings:											
Legal reserve appropriated	-	-	411,656	-	(411,656)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,767,584)	-	-	-	(1,767,584)	-	(1,767,584)
Common stock dividends	1,767,584	-	-	-	(1,767,584)	-	-	-	-	-	-
Changes of affiliates and joint ventures under equity method	-	80,984	-	-	126,272	-	(126,675)	-	80,581	-	80,581
Distribution of dividend to the subsidiary to adjust the additional paid-in capital	-	9,516	-	-	-	-	-	-	9,516	-	9,516
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	923	-	-	(2,196)	-	-	-	(1,273)	-	(1,273)
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	(289,417)	(289,417)
Balance on December 31, 2020	\$ 12,814,983	856,544	3,471,062	141,843	8,943,946	(205,582)	5,963,900	(184,763)	31,801,933	12,648,161	44,450,094

Lien Hwa Industrial Holdings Corporation
(original name: Lien Hwa Industrial Corporation) and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flow from operating activities:		
Net income before tax	\$ 3,632,369	3,281,073
Adjustments:		
Income/expenses		
Depreciation expense	310,466	308,454
Amortization expense	14,846	25,209
Estimate credit (reversal gain) loss	3,917	(4,907)
Net earnings of financial assets and liabilities measured at fair value through profit or loss	(236)	(2,214)
Interest expense	65,642	60,063
Interest income	(15,552)	(16,366)
Dividend income	(1,032,208)	(871,987)
Shareholding in the profit of the affiliated companies and joint ventures under the equity method	(2,373,115)	(1,565,904)
Loss from the disposal and scrap of property, plants and equipment	2,247	570
Loss (gain) on disposal of investment properties	(60)	-
Disposal of investment gain	-	(582,634)
Impairment loss on financial assets	2,400	-
Impairment of non-financial assets	-	42,964
Others	(86)	(128)
Income/expenses	(3,021,739)	(2,606,880)
Changes in operating activities related assets and liabilities:		
Net changes in assets relating to operating activities:		
Contract assets	(428,189)	32,849
Receivable notes	1,289	83,995
Accounts receivable	(76,639)	(132,484)
Other receivable	8,486	77,782
Inventory	(133,609)	(75,653)
Decrease (increase) in other operating assets	101	(36,962)
Other current assets	(56,418)	(48,679)
Net changes in assets relating to operating activities	(684,979)	(99,152)
Net changes in liabilities relating to operating activities:		
Contract liabilities	211,137	(110,248)
Notes payable	(15,066)	17,730
Accounts payable	387,588	114,746
Other payable	(22,597)	109,727
Other current liabilities	931	(23,312)
Net changes in liabilities relating to operating activities	561,993	108,643
Changes in operating activities related assets and liabilities	(122,986)	9,491
Adjustments	(3,144,725)	(2,597,389)
Cash flow from operating activities	487,644	683,684
Interest received	15,532	16,336
Dividend received	1,991,811	2,166,913
Interest paid	(68,377)	(57,607)
Returned income tax (paid)	(85,729)	12,065
Net cash inflow from operating activities	2,340,881	2,821,391

(Continued)

Lien Hwa Industrial Holdings Corporation
(original name: Lien Hwa Industrial Corporation) and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flow from investing activities:		
Acquisition of financial assets measured at fair values through other comprehensive profit or loss	\$ (2,147,728)	(789,933)
Refunds from decapitalization of financial assets measured at fair values through other comprehensive profit or loss	19,099	64,630
Acquisition of financial assets at amortised cost	(2,434)	-
Acquisition of financial assets measured at fair values through profit or loss	(134,648)	(685,133)
Disposal of financial assets measured at fair values through profit or loss	313,703	552,040
Disposal of investments under the equity method	161	477,796
Acquisition of property, plant, and equipment	(215,909)	(141,037)
Disposal of property, plant, and equipment	1,733	353
Increase in guaranteed deposits paid	(33,054)	(30,005)
Acquisition of intangible assets	(14,180)	(3,948)
Cash inflow from mergers	-	218,865
Acquisition of investment property	(27,323)	(1,562)
Proceeds from disposal of investment properties	333	-
Increase of other non-current assets	(14,921)	(13,727)
Net cash outflow from investing activities	<u>(2,255,168)</u>	<u>(351,661)</u>
Cash flow from financing activities:		
Increase in short-term loans	290,000	650,000
Increase (Decrease) in short-term notes payable	1,389,258	(142,772)
Borrowing of long-term loan	800,000	900,000
Retirement of long-term loans	(400,000)	(900,000)
Increase (Decrease) of guaranteed deposits and margins received	(4,345)	2,935
Lease principal payment	(36,558)	(40,335)
Decrease in other non-current liabilities	(561)	-
Cash dividend distribution	(1,758,068)	(1,674,350)
Acquisition of ownership interests in subsidiaries	(26,663)	-
Uncontrolled equity	(266,806)	(183,471)
Net cash outflow from financing activities	<u>(13,743)</u>	<u>(1,387,993)</u>
Effect of foreign exchange rate change	(24,306)	(30,812)
Current cash and cash equivalents increase	47,664	1,050,925
Opening balance of cash and cash equivalents	<u>1,758,023</u>	<u>707,098</u>
Closing balance of cash and cash equivalents	<u>\$ 1,805,687</u>	<u>1,758,023</u>

Independent Auditors' Report

To the Board of Directors and Shareholders of Lien Hwa Industrial Holdings Corporation:

Opinion

We have audited the balance sheet of Lien Hwa Industrial Holdings Corporation (Original name: Lien Hwa Industrial Corporation) as at December 31, 2020 and 2019, and the comprehensive income statement, the statement of changes in equity and the cash flow statement, and the notes to parent company only financial statements (including the summary of significant accounting policies) for the year ended December 31, 2020 and 2019.

In our opinion, all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms, and presented a fair view of the financial position of Lien Hwa Industrial Holdings Corporation as at December 31, 2020 and 2019, and the business performance and cash flow for the year ended December 31, 2020 and 2019.

Basis for opinion

We have conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibility to the standards will be explained in the paragraph of auditor's responsibilities when auditing the parent company only financial statements. All relevant independent personnel subject to the CPA professional ethics within the firm remain independent from the Lien Hwa Industrial Holdings Corporation and implement responsibilities regulated in the ethics. We believe we have obtained sufficient appropriate audit evidence to serve as the basis for the audit opinion.

Key audit matters

Key audit matters are the most important matters that we audit in the 2020 parent company only financial statements of Lien Hwa Industrial Holdings Corporation based on our professional judgment. All relevant matters were audited during the audit of the parent company only financial statements and the formulation of the audit opinions. We will not express our opinions on those matters separately. The key audit matters that we determine shall be listed on the audit report include:

Assessment of investment under equity method

Regarding the accounting policies for the investment assessment under equity method, please see note 4(8) and (9) to the Parent Company Only Financial Statements; for the shareholding in the profit of the affiliated companies and joint ventures under the equity method, please see note 6(6) to the Parent Company Only Financial Statements.

Description of the key audit matters:

After the demerger and transformation of Lien Hwa Industrial Holdings Corporation, the main business became general investment. The recognized investment amount under equity method totaled NTD31,093,720 thousand, occupying 82% of Lien Hwa Industrial Holdings Corporation's total assets. Therefore, the investment under equity method is listed as a matter we need to highly focus on when auditing.

Corresponding audit process:

The audit process we perform for the above key audit matters includes: provide audit instructions to and communicate with the audit staff of other component entities; acquire the financial statements of the component entities, perform a check calculation for the correctness of the recognized investment amount under equity method and attributable period and assess whether the management has properly disclosed the investment under equity method.

The responsibility of the management and the governing body for the parent company only financial statements

The management is responsible for preparing the appropriate parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the parent company only financial statements. As a result, it can ensure material misstatement due to fraud or error is not pertained in the parent company only financial statements.

Other than the situation that the management intends to liquidate Lien Hwa Industrial Holdings Corporation or stop the business, or no other approaches can be used except for these two measures, during the preparation of the parent company only financial statements, the responsibility of the management also includes evaluating the going concern capacity of the Lien Hwa Industrial Holdings Corporation, disclosure of relative matters, and adoption of the going concern accounting basis.

The governing body of the Lien Hwa Industrial Holdings Corporation (including the Audit Committee) has the responsibility to supervise the financial reporting procedures.

Our responsibility for the audit of the parent company only financial statements

The purpose for us to audit the parent company only financial statements is to obtain reasonable assurance that there is no material misstatement due to fraud or error in the parent company only financial statements, and we issue the audit report afterwards. Reasonable assurance means high assurance. Only that the audit work implemented in accordance with the generally accepted auditing standards cannot give the promise that every material misstatement in the parent company only financial statements are found. Misstatement might result from fraud or error. If we can reasonably expect the individual amounts or the total amount in the misstatement would influence the financial decision made by the user of the parent company only financial statements, the misstatement is considered material.

When performing the audit according to the generally accepted auditing standards, we exercise professional judgment and remain skeptical professionally. We also perform the following work:

1. We identify the material misstatement resulting from fraud or error in the parent company only financial statement and assess its risk. We design and implement appropriate corresponding measures for the assessed risk. We acquire sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Due to the fact that fraud might include collusion, forgery, intended omission, misstatement and violation of internal control, the risk of the misstatement resulting from fraud is higher than that resulting from error.
2. We acquire necessary understanding of the internal control mechanism that is related to the audit to design appropriate audit process for the situation at the time. The purpose of the knowledge is not expressing opinions to the effectiveness of the internal control mechanism of the Lien Hwa Industrial Holdings Corporation.
3. We evaluate whether the accounting policies adopted by the management are suitable and whether the accounting estimation as well as relative disclosures are appropriate.
4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of Lien Hwa Industrial Holdings Corporation exist, and whether there is major uncertainty. A conclusion will be made afterwards. We believe under the circumstances that there is major uncertainty, a reminder shall be included in the audit report to inform the parent company only financial statements user to pay attention to relative disclosures in the statements. We shall modify the audit opinion when the disclosure is considered improper. Our conclusion is based on the audit evidence acquired as of the date of the audit report. Future events or circumstances might still result in the fact that Lien Hwa Industrial Holdings Corporation no longer has the going concern capacity.
5. We evaluate the overall statements, structures and contents of the parent company only financial statements (including relative notes) and see whether the statements appropriately state relevant transactions and events.

6. We examine the financial information of invested company under the equity method to acquire sufficient and appropriate audit evidence for expressing opinions in the parent company only financial statements. We are responsible to guide, supervise and implement the audit. In addition, we are responsible for the formulation of opinions for Lien Hwa Industrial Holdings Corporation.

We communicate with the governing body on the scope and time of the audit as well as the significant findings (including significant deficiencies of the internal control mechanism identified during the audit process).

We have issued a declaration of independence to the governing body, which assured that all relevant personnel within the CPA firm had complied with ethical rules of the CPA profession. Besides, we mention the relation or situation that may compromise the CPA's independence (including relevant preventive measures) to the governing body.

After communicating the above matters with the governing body, we decide the key audit matters in the 2020 parent company only financial report of Lien Hwa Industrial Holdings Corporation. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

The engagement partners on the audit resulting in this independent auditors' report are Linda Chiang and Liu-Fong Yang

KPMG

Taipei, Taiwan (Republic of China)

March 30, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

Lien Hwa Industrial Holdings Corporation (original name: Lien Hwa Industrial Corporation)
Parent Company Only Balance Sheet
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets		12.31.2020		12.31.2019		Liabilities and equity		12.31.2020		12.31.2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalent (note 6(1))	\$ 138,569	-	\$ 118,566	-	2100	Current borrowings (note 6(11) and 7)	\$ 3,800,000	10	\$ 4,250,000	13
1170	Accounts receivable, net (note 6(3))	-	-	8,524	1	2110	Short-term notes and bills payable (note 6(12))	799,863	2	599,942	2
1206	Other receivables (note 6(4) and 7)	617	-	118,492	-	2170	Accounts payable	-	-	8,558	-
1220	Current tax assets	4,887	-	48,277	-	2200	Other payables (note 7)	52,678	-	561,574	2
1470	Other current assets	579	-	6,673	-	2230	Current tax liabilities	-	-	61,398	-
		<u>144,652</u>	<u>-</u>	<u>300,532</u>	<u>1</u>	2399	Other current liabilities, others	-	-	56	-
								<u>4,652,541</u>	<u>12</u>	<u>5,481,528</u>	<u>17</u>
Non-current assets:						Non-current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	6,577,693	18	5,638,623	17	2540	Non-current portion of non-current borrowings (note 6(13))	1,300,000	4	900,000	3
1550	Investments accounted for using equity method (note 6(6))	31,093,720	82	27,507,438	82	2551	Provision for employee benefit liability – non-current	858	-	764	-
1760	Investment property, net (note 6(10))	3,395	-	-	-	2600	Other non-current liabilities (note 6(17) and 7)	71,935	-	71,934	-
1975	Net defined benefit asset, non-current (note 6(16))	5,136	-	3,278	-			<u>1,372,793</u>	<u>4</u>	<u>972,698</u>	<u>3</u>
1990	Other non-current assets, others (note 6(17) and 8)	2,671	-	-	-			<u>6,025,334</u>	<u>16</u>	<u>6,454,226</u>	<u>20</u>
		<u>37,682,615</u>	<u>100</u>	<u>33,152,082</u>	<u>99</u>		Total liabilities				
							Equity: (note 6(18))				
						3110	Common shares	12,814,983	34	11,047,399	33
						3200	Capital surplus	856,544	3	765,121	3
						3300	Retained earnings	12,556,851	33	12,875,954	38
						3400	Other equities	5,758,318	15	2,494,677	7
						3500	Treasury stock	(184,763)	-	(184,763)	(1)
							Total equity	<u>31,801,933</u>	<u>84</u>	<u>26,998,388</u>	<u>80</u>
							Total liabilities and equity	<u>\$ 37,827,267</u>	<u>100</u>	<u>\$ 33,452,614</u>	<u>100</u>
	Total assets	<u>\$ 37,827,267</u>	<u>100</u>	<u>\$ 33,452,614</u>	<u>100</u>						

Lien Hwa Industrial Holdings Corporation
(original name: Lien Hwa Industrial Corporation)

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars , except for earnings per common share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (note 6(6 and 20) and 7)	\$ 1,055,797	100	\$ 3,012,535	100
5000	Operating cost (note 6(5) and 7)	-	-	2,229,177	74
	Operating gross profit	<u>1,055,797</u>	<u>100</u>	<u>783,358</u>	<u>26</u>
	Operating expenses:				
6100	Marketing expense	-	-	74,312	2
6200	Management expense	45,308	4	117,147	4
6300	Research and development expenses	-	-	28,851	1
6450	Estimate credit loss (gain) (note 6(3))	(37)	-	(198)	-
		<u>45,271</u>	<u>4</u>	<u>220,112</u>	<u>7</u>
	Net operating profit	<u>1,010,526</u>	<u>96</u>	<u>563,246</u>	<u>19</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(22) and 7)	829	-	10,146	-
7010	Other revenues (note 6(22))	267,758	25	242,833	8
7020	Other profit and loss (note 6(22))	12,340	1	533,534	18
7050	Financial cost (note 6(22) and 7)	(53,663)	(5)	(50,635)	(2)
7370	Shareholding in the profit of the affiliated companies and joint ventures under the equity method (note 6(6))	1,870,229	177	1,535,017	51
		<u>2,097,493</u>	<u>198</u>	<u>2,270,895</u>	<u>75</u>
7900	Net income before tax	3,108,019	294	2,834,141	94
7951	Less: Income tax (benefits) expenses (note 6(17))	9,289	1	67,325	2
	Net income	<u>3,098,730</u>	<u>293</u>	<u>2,766,816</u>	<u>92</u>
	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	1,988	-	11,575	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	945,670	90	758,031	25
8330	Share of other comprehensive income of subsidiaries, affiliates and joint ventures under equity method - items not reclassified into profit or loss	2,256,566	214	977,144	32
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items not reclassified into profit or loss	<u>3,204,224</u>	<u>304</u>	<u>1,746,750</u>	<u>57</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	116,743	11	85,132	3
8380	Share of other comprehensive income of subsidiaries, affiliates and joint ventures under equity method- items may be reclassified into profit or loss	62,608	6	(291,542)	(10)
8399	Less: Income tax related to items may be reclassified	-	-	-	-
	Total items may be subsequently reclassified into profit or loss	<u>179,351</u>	<u>17</u>	<u>(206,410)</u>	<u>(7)</u>
	Other comprehensive income in current period (net amount after tax)	<u>3,383,575</u>	<u>321</u>	<u>1,540,340</u>	<u>50</u>
8500	Total comprehensive income	<u>\$ 6,482,305</u>	<u>614</u>	<u>\$ 4,307,156</u>	<u>142</u>
	EPS (unit: NTD) (note 6(19))				
9750	Basic earnings per share	<u>\$ 2.43</u>		<u>2.17</u>	
9850	Diluted earnings per share	<u>\$ 2.43</u>		<u>2.17</u>	

Lien Hwa Industrial Holdings Corporation (original name: Lien Hwa Industrial Corporation)
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equities		Treasury stocks	Total equities
	Common stock share capital	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statements of foreign operations	Unrealized profit (loss) of the financial assets measured at fair values through other comprehensive profit or loss		
Balance on January 1, 2019	\$ 10,521,332	766,253	2,811,777	141,843	8,015,257	(195,325)	2,491,349	(2,393)	24,550,093
Net income	-	-	-	-	2,766,816	-	-	-	2,766,816
Other comprehensive income	-	-	-	-	14,649	(206,410)	1,732,101	-	1,540,340
Total comprehensive income	-	-	-	-	2,781,465	(206,410)	1,732,101	-	4,307,156
Allocation and distribution of earnings:									
Legal reserve appropriated	-	-	247,629	-	(247,629)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,683,413)	-	-	-	(1,683,413)
Common stock dividends	526,067	-	-	-	(526,067)	-	-	-	-
Changes of affiliates and joint ventures under equity method	-	(10,195)	-	-	(8,748)	-	-	-	(18,943)
Stock purchased by the subsidiary from the parent company that deemed as the treasury stock	-	-	-	-	-	-	-	(182,370)	(182,370)
Distribution of dividend to the subsidiary to adjust the additional paid-in capital	-	9,063	-	-	-	-	-	-	9,063
Disposal of investments under the equity method	-	-	-	-	1,278,836	16,802	(1,278,836)	-	16,802
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	65,004	-	(65,004)	-	-
Balance on December 31, 2019	11,047,399	765,121	3,059,406	141,843	9,674,705	(384,933)	2,879,610	(184,763)	26,998,388
Net income	-	-	-	-	3,098,730	-	-	-	3,098,730
Other comprehensive income	-	-	-	-	(6,741)	179,351	3,210,965	-	3,383,575
Total comprehensive income	-	-	-	-	3,091,989	179,351	3,210,965	-	6,482,305
Allocation and distribution of earnings:									
Legal reserve appropriated	-	-	411,656	-	(411,656)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,767,584)	-	-	-	(1,767,584)
Common stock dividends	1,767,584	-	-	-	(1,767,584)	-	-	-	-
Changes of affiliates and joint ventures under equity method	-	80,984	-	-	126,272	-	(126,675)	-	80,581
Distribution of dividend to the subsidiary to adjust the additional paid-in capital	-	9,516	-	-	-	-	-	-	9,516
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	923	-	-	(2,196)	-	-	-	(1,273)
Balance on December 31, 2020	\$ 12,814,983	856,544	3,471,062	141,843	8,943,946	(205,582)	5,963,900	(184,763)	31,801,933

Lien Hwa Industrial Holdings Corporation (original name: Lien Hwa Industrial Corporation)

Parent Company Only Statement of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flow from operating activities:		
Net income before tax	\$ 3,108,019	2,834,141
Adjustments:		
Income/expenses		
Depreciation expense	-	122,099
Amortization expense	-	3,810
Reversal gain from estimate credit loss	(37)	(198)
Interest expense	53,663	50,635
Interest income	(829)	(10,146)
Dividend income	(267,758)	(241,685)
Shareholding in the profit of the subsidiaries, affiliated companies and joint ventures under the equity method	(2,926,026)	(1,831,968)
Disposal of investment gain	-	(505,859)
Income/expenses	<u>(3,140,987)</u>	<u>(2,413,312)</u>
Changes in operating activities related assets and liabilities:		
Net changes in assets relating to operating activities:		
Receivable notes	-	237,998
Accounts receivable	8,561	359,658
Other receivable	116,375	489
Inventory	-	130,878
Net defined benefit assets	130	-
Other current assets	6,094	(7,924)
Net changes in assets relating to operating activities	<u>131,160</u>	<u>721,099</u>
Net changes in liabilities relating to operating activities:		
Accounts payable	(8,558)	(26,716)
Other payable	(8,158)	(6,069)
Reserve for liabilities	94	(5,599)
Other current liabilities	(56)	(15,442)
Net defined benefit liability	-	(36,884)
Net changes in liabilities relating to operating activities	<u>(16,678)</u>	<u>(90,710)</u>
Changes in operating activities related assets and liabilities	<u>114,482</u>	<u>630,389</u>
Adjustments	<u>(3,026,505)</u>	<u>(1,782,923)</u>
Cash flow from operating activities	81,514	1,051,218
Interest received	829	10,146
Dividend received	2,617,433	1,281,077
Interest paid	(54,401)	(50,623)
Returned income tax (paid)	<u>(27,224)</u>	<u>14,288</u>
Net cash inflow from operating activities	<u>2,618,151</u>	<u>2,306,106</u>

(Continued)

Lien Hwa Industrial Holdings Corporation (original name: Lien Hwa Industrial Corporation)

Parent Company Only Statement of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flow from investing activities:		
Acquisition of financial assets measured at fair values through other comprehensive profit or loss	-	(323,692)
Refunds from decapitalization of financial assets measured at fair values through other comprehensive profit or loss	6,600	10,157
Acquisition of investments under the equity method	(901,398)	(820,021)
Proceeds from capital reduction of investments under the equity method	416,208	-
Acquisition of property, plant, and equipment	-	(46,894)
Decrease in guarantee deposits paid	-	600
Decrease in other receivable	1,500	381,887
Acquisition of investment property	-	(82)
Increase of other non-current assets	-	(1,889)
Increase in prepaid equipment purchase	-	(13,078)
Net cash outflow from investing activities	<u>(477,090)</u>	<u>(813,012)</u>
Cash flow from financing activities:		
Increase (decrease)in short-term loans	(450,000)	500,000
Increase in short-term notes payable	199,921	100,000
Borrowing of long-term loan	800,000	900,000
Retirement of long-term loans	(400,000)	(900,000)
Decrease in deposits received	-	(628)
Increase (decrease)in other payable	(500,000)	500,000
Lease principal payment	-	(2,210)
Cash dividend distribution	(1,767,584)	(1,683,413)
Demerger decrease	(3,395)	(1,211,257)
Net cash outflow from financing activities	<u>(2,121,058)</u>	<u>(1,797,508)</u>
Current cash and cash equivalents increase (decrease)	20,003	(304,414)
Opening balance of cash and cash equivalents	<u>118,566</u>	<u>422,980</u>
Closing balance of cash and cash equivalents	<u>\$ 138,569</u>	<u>118,566</u>

Lien Hwa Industrial Holdings Corporation

The comparison table of the “Articles of Incorporation” before and after revision

After amendment	Before amendment	Description
<p>Article 6</p> <p>The total amount of the Company’s capital stock shall be NT\$ <u>20</u> billion, divided into <u>2</u> billion shares, at par value of NT\$ 10 per share. Among the shares, 60 million shares were reserved for employee stock options, and the Board of Directors has been authorized to issue the shares in tranches. The remaining unissued shares will be issued by the Board of Directors based on the business needs, and part of the shares may be issued as preferred shares.</p>	<p>Article 6</p> <p>The total amount of the Company’s capital stock shall be NT\$ <u>15</u> billion, divided into <u>1.5</u> billion shares, at par value of NT\$ 10 per share. Among the shares, 60 million shares were reserved for employee stock options, and the Board of Directors has been authorized to issue the shares in tranches. The remaining unissued shares will be issued by the Board of Directors based on the business needs, and part of the shares may be issued as preferred shares.</p>	<p>For the long-term planning of the Company’s operation, the capital is increased to NT\$ 20 billion.</p>
<p>Articles 6-1:</p> <p>The rights and obligation of the Company’s preference shares and other important issuance conditions are as follows:</p> <p>I. Payout of preferred share dividends is limited to 8% per annum on the issue price, distributable in cash on a <u>quarterly</u> basis. The amount of preferred stock dividends payable for the <u>quarter</u> of initial issue and the <u>quarter</u> of retirement is prorated based on the actual number of days outstanding.</p>	<p>Articles 6-1:</p> <p>The rights and obligation of the Company’s preference shares and other important issuance conditions are as follows:</p> <p>I. Payout of preferred share dividends is limited to 8% per annum on the issue price, distributable in cash on a <u>yearly</u> basis. <u>Once the financial reports have been acknowledged in a General Meeting, the board of directors will set the date for the payment of the preferred share dividends distributable in the previous year.</u> The amount of</p>	<p>For the long-term planning of the Company’s operation planning, matters that the Company’s earnings distribution and offsetting of deficits shall be conducted at the end of each quarter is added to Article 27-1. The content</p>

After amendment	Before amendment	Description
<p>II. The Company has discretionary power to distribute dividends on preferred shares. If there is no surplus or insufficient surplus for the distribution of preferred stock dividends in the <u>quarterly</u> accounts of the Company or there are other necessary considerations, the <u>directors'</u> meeting may resolve not to distribute preferred stock dividends. Such resolution shall not constitute a cause of default. If the preferred shares issued are non-cumulative, dividends resolved not to be distributed or under-distributed will not be accumulated and deferred in subsequent <u>quarter</u> of earnings.</p> <p>III. Besides the dividends prescribed in Subparagraph 1 of this Paragraph, shareholders of preferred shares are not entitled to the cash and equity capital of earnings and additional paid-in capital of common shares.</p> <p>IV. The distribution priority for shareholders of preferred shares on the residual property of the Company is prior to shareholders of common shares, equal to the shareholders of all preferred shares issued by the Company, and lower than general creditors. However, the distribution shall not exceed the issuance amount of outstanding</p>	<p>preferred stock dividends payable for the <u>year</u> of initial issue and the <u>year</u> of retirement is prorated based on the actual number of days outstanding.</p> <p>II. The Company has discretionary power to distribute dividends on preferred shares. If there is no surplus or insufficient surplus for the distribution of preferred stock dividends in the <u>annual</u> accounts of the Company or there are other necessary considerations, the <u>shareholders'</u> meeting may resolve not to distribute preferred stock dividends. Such resolution shall not constitute a cause of default. If the preferred shares issued are non-cumulative, dividends resolved not to be distributed or under-distributed will not be accumulated and deferred in subsequent <u>years</u> of earnings.</p> <p>III. Besides the dividends prescribed in Subparagraph 1 of this Paragraph, shareholders of preferred shares are not entitled to the cash and equity capital of earnings and additional paid-in capital of common shares.</p> <p>IV. The distribution priority for shareholders of preferred shares on the residual property of the Company is prior to shareholders of common shares, equal to the shareholders of all preferred shares issued by the Company, and lower than general creditors. However, the distribution shall not exceed the issuance amount</p>	<p>regarding preferred shares are also revised accordingly.</p>

After amendment	Before amendment	Description
<p>preferred shares at the time of dividend distribution.</p> <p>V. Shareholders of preferred shares do not have the right to vote or suffrage. However, they have the right to vote in special shareholders' meetings or motions at shareholders' meeting involving rights and obligations of shareholders of preferred shares.</p> <p>VI. Preferred shares may not be converted to common shares.</p> <p>VII. Preferred shares have no maturity. Shareholders of preferred shares do not have the right to request the Company to buy back their preferred shares. However, the Company may buy back all or part of the preferred shares anytime on the next day after five years of issuance at the original issuance price. Preferred shares that are not bought back shall continue to hold rights and obligations of issuance terms prescribed in the preceding subparagraphs. If dividend is resolved to be distributed for the <u>quarter</u>, the amount of dividends prorated based on the actual number of days outstanding of the <u>quarter</u> as of the retirement date.</p> <p>VIII. The premium received from the issuance of preferred shares shall not be capitalized during the issue period of the preferred shares, but may be used to offset operation losses. The board is authorized to determine the name, issuance date and specific issuance terms upon</p>	<p>of outstanding preferred shares at the time of dividend distribution.</p> <p>V. Shareholders of preferred shares do not have the right to vote or suffrage. However, they have the right to vote in special shareholders' meetings or motions at shareholders' meeting involving rights and obligations of shareholders of preferred shares.</p> <p>VI. Preferred shares may not be converted to common shares.</p> <p>VII. Preferred shares have no maturity. Shareholders of preferred shares do not have the right to request the Company to buy back their preferred shares. However, the Company may buy back all or part of the preferred shares anytime on the next day after five years of issuance at the original issuance price. Preferred shares that are not bought back shall continue to hold rights and obligations of issuance terms prescribed in the preceding subparagraphs. If dividend is resolved to be distributed for the <u>year</u>, the amount of dividends prorated based on the actual number of days outstanding of the <u>year</u> as of the retirement date.</p> <p>VIII. The premium received from the issuance of preferred shares shall not be capitalized during the issue period of the preferred shares, but may be used to offset operation losses. The board is authorized to determine the name, issuance date and specific</p>	

After amendment	Before amendment	Description
actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Company's Articles of Incorporation and related laws and regulations.	issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Company's Articles of Incorporation and related laws and regulations.	
<p style="text-align: center;"><u>Article 27-1</u></p> <p><u>The Company's surplus earning distribution or loss off-setting proposal is proposed at the close of each quarter. If the earnings are distributed in form of cash, in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act, such matter shall be resolved by the board of directors and reported to the shareholders' meeting.</u></p>		<p>1. New article added</p> <p>2. For the long-term planning of the Company's operation planning, the Company's earnings distribution and offsetting of deficits are changed to the end of each quarter.</p>
<p><u>Article 27-2</u></p> <p><u>If the Company operates at a profit for the quarter, the Company shall estimate and reserve the taxes and dues to be paid, the losses to be covered, remuneration to employees and directors, the legal reserve to be set aside, and reversal of special reserve as required by the law. Where such legal reserve amounts to the total paid-in capital, this provision with regard to the legal reserve shall not apply.</u></p>		Added relevant supporting regulations for changing the new earnings distribution to a quarterly basis.
<p>Article 28</p> <p>If the Company is operating at a profit, appropriate no less than 0.1 % of the</p>	<p>Article 28</p> <p>If the Company is operating at a profit, appropriate no less than 0.1 %</p>	<p>Revised relevant supporting regulations for</p>

After amendment	Before amendment	Description
<p>earnings as remuneration to employees, and no more than 1% as remuneration to Directors. However, the earnings shall be used to offset deficits, if any.</p> <p>The aforementioned earnings refers to the annual income before tax and before deducting remuneration to employees and directors.</p> <p>The allocation of remuneration to employees and directors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.</p> <p>Remuneration to directors shall be distributed in the form of cash. Remuneration to employees may be paid in the form of shares or cash. The Chairman is authorized to determine the criteria of the employees of the Company's Parent or subsidiaries.</p> <p>The Company is now at the stable growth stage and most of the earnings are from the investees recognized under the equity method. For the sustainable operation and long-term development of the company, the Company shall first use the earning to pay tax and offset the accumulated losses, then appropriate 10% of the earnings as legal reserve and appropriate or reverse the special reserve according to the laws and regulations. The remaining earnings, if any, is used to distribute dividends of preferred shares. When distributing the remaining earnings with the accumulated earnings undistributed, the Board of Directors shall propose a motion for the distribution. When distributing in the form of new shares, a motion shall be</p>	<p>of the earnings as remuneration to employees, and no more than 1% as remuneration to Directors. However, the earnings shall be used to offset deficits, if any.</p> <p>The aforementioned earnings refers to the annual income before tax and before deducting remuneration to employees and directors.</p> <p>The allocation of remuneration to employees and directors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.</p> <p>Remuneration to directors shall be distributed in the form of cash. Remuneration to employees may be paid in the form of shares or cash. The Chairman is authorized to determine the criteria of the employees of the Company's Parent or subsidiaries.</p> <p>The Company is now at the stable growth stage and most of the earnings are from the investees recognized under the equity method. For the sustainable operation and long-term development of the company, the Company shall first use the earning to pay tax and offset the accumulated losses, then appropriate 10% of the earnings as legal reserve and appropriate or reverse the special reserve according to the laws and regulations. The remaining earnings, if any, is used to distribute <u>annual</u> dividends that may be distributed for preferred shares. When distributing the remaining earnings with the</p>	<p>changing the new earnings distribution to a quarterly basis.</p>

After amendment	Before amendment	Description
<p>submitted to the shareholders' meeting for approval before distribution. In accordance with Article 240 Paragraph 5 of the Company Act, if the aforementioned earnings are distributed in the form of cash, approval for such distribution should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should then be reported during a shareholders' meeting.</p> <p>The directors' meeting shall consider the financial structure of the Company, future funding demand and profit-seeking conditions to plan the ratio of the earning distribution and shareholder's cash dividends and the cash dividends shall not be less than 10% of the total dividends.</p>	<p>accumulated earnings undistributed, the Board of Directors shall propose a motion for the distribution. When distributing in the form of new shares, a motion shall be submitted to the shareholders' meeting for approval before distribution. In accordance with Article 240 Paragraph 5 of the Company Act, if the aforementioned earnings are distributed in the form of cash, approval for such distribution should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should then be reported during a shareholders' meeting.</p> <p>The directors' meeting shall consider the financial structure of the Company, future funding demand and profit-seeking conditions to plan the ratio of the earning distribution and shareholder's cash dividends and the cash dividends shall not be less than 10% of the total dividends.</p>	
<p>Article 31</p> <p>The Articles of Incorporation is adopted on June 29, 1955. Amendment was made for the 1st instance on March 10, 1956. Amendment was made for the 2nd instance on September 30, 1959. Amendment was made for the 3rd instance on September 30, 1960. Amendment was made for the 4th instance on January 20, 1964. Amendment was made for the 5th instance on August 1, 1965. Amendment was made for the 6th instance on</p>	<p>Article 31</p> <p>The Articles of Incorporation is adopted on June 29, 1955. Amendment was made for the 1st instance on March 10, 1956. Amendment was made for the 2nd instance on September 30, 1959. Amendment was made for the 3rd instance on September 30, 1960. Amendment was made for the 4th instance on January 20, 1964. Amendment was made for the 5th instance on August 1, 1965.</p>	<p>Adding the current amendment date</p>

After amendment	Before amendment	Description
<p>December 12, 1965. Amendment was made for the 7th instance on December 5, 1966. Amendment was made for the 8th instance on September 22, 1967. Amendment was made for the 9th instance on August 8, 1968. Amendment was made for the 10th instance on April 17, 1969. Amendment was made for the 11th instance on May 14, 1970. Amendment was made for the 12th instance on January 16, 1972. Amendment was made for the 13th instance on February 1, 1974. Amendment was made for the 14th instance on December 16, 1974, Amendment was made for the 15th instance on December 15, 1975, Amendment was made for the 16th instance on April 1, 1976. Amendment was made for the 17th instance on June 10, 1977. Amendment was made for the 18th instance on June 2, 1978. Amendment was made for the 19th instance on December 21, 1978. Amendment was made for the 20th instance on June 15, 1979. Amendment was made for the 21st instance on June 28, 1980. Amendment was made for the 22nd instance on April 9, 1981. Amendment was made for the 23rd instance on April 29, 1982. Amendment was made for the 24th instance on June 7, 1983. Amendment was made for the 25th instance on June 27, 1984. Amendment was made for the 26th instance on July 19, 1985. Amendment was made for the 27th instance on June 21, 1986. Amendment was made for the 28th instance on June 10, 1987. Amendment was made for the 29th instance on June 3, 1988. Amendment</p>	<p>Amendment was made for the 6th instance on December 12, 1965. Amendment was made for the 7th instance on December 5, 1966. Amendment was made for the 8th instance on September 22, 1967. Amendment was made for the 9th instance on August 8, 1968. Amendment was made for the 10th instance on April 17, 1969. Amendment was made for the 11th instance on May 14, 1970. Amendment was made for the 12th instance on January 16, 1972. Amendment was made for the 13th instance on February 1, 1974. Amendment was made for the 14th instance on December 16, 1974, Amendment was made for the 15th instance on December 15, 1975, Amendment was made for the 16th instance on April 1, 1976. Amendment was made for the 17th instance on June 10, 1977. Amendment was made for the 18th instance on June 2, 1978. Amendment was made for the 19th instance on December 21, 1978. Amendment was made for the 20th instance on June 15, 1979. Amendment was made for the 21st instance on June 28, 1980. Amendment was made for the 22nd instance on April 9, 1981. Amendment was made for the 23rd instance on April 29, 1982. Amendment was made for the 24th instance on June 7, 1983. Amendment was made for the 25th instance on June 27, 1984. Amendment was made for the 26th</p>	

After amendment	Before amendment	Description
<p>was made for the 30th instance on June 6, 1989. Amendment was made for the 31st instance on May 24m 1990. Amendment was made for the 32nd instance on June 7, 1991. Amendment was made for the 33rd instance on June 15, 1992. Amendment was made for the 34th instance on June 17, 1994. Amendment was made for the 35th instance on May 30, 1995. Amendment was made for the 36th instance on June 13, 1996. Amendment was made for the 37th instance on May 28, 1997. Amendment was made for the 38th instance on June 2, 1998. Amendment was made for the 39th instance on June 2, 1999. Amendment was made for the 40th instance on May 19, 2000. Amendment was made for the 41st instance on May 22, 2001. Amendment was made for the 42nd instance on May 28, 2001. Amendment was made for the 43rd instance on May 22, 2003. Amendment was made for the 44th instance on May 24, 2005. Amendment was made for the 45th instance on June 15, 2006. Amendment was made for the 46th instance on June 14, 2007. Amendment was made for the 47th instance on June 13, 2008. Amendment was made for the 48th instance on June 9, 2010. Amendment was made for the 49th instance on June 26, 2014. Amendment was made for the 50th instance on June 22, 2016. Amendment was made for the 51st instance on June 26, 2017. Amendment was made for the 52nd instance on June 26, 2018. Amendment was made for the 53rd instance on June 25, 2019, and took effect upon approval of the shareholders’</p>	<p>instance on July 19, 1985. Amendment was made for the 27th instance on June 21, 1986. Amendment was made for the 28th instance on June 10, 1987. Amendment was made for the 29th instance on June 3, 1988. Amendment was made for the 30th instance on June 6, 1989. Amendment was made for the 31st instance on May 24m 1990. Amendment was made for the 32nd instance on June 7, 1991. Amendment was made for the 33rd instance on June 15, 1992. Amendment was made for the 34th instance on June 17, 1994. Amendment was made for the 35th instance on May 30, 1995. Amendment was made for the 36th instance on June 13, 1996. Amendment was made for the 37th instance on May 28, 1997. Amendment was made for the 38th instance on June 2, 1998. Amendment was made for the 39th instance on June 2, 1999. Amendment was made for the 40th instance on May 19, 2000. Amendment was made for the 41st instance on May 22, 2001. Amendment was made for the 42nd instance on May 28, 2001. Amendment was made for the 43rd instance on May 22, 2003. Amendment was made for the 44th instance on May 24, 2005. Amendment was made for the 45th instance on June 15, 2006. Amendment was made for the 46th instance on June 14, 2007.</p>	

After amendment	Before amendment	Description
<p>meeting (Company name, Article 1, 2, and 4 took effect on spin-off reference date). <u>Amendment was made for the 54th instance on June 23, 2010. Amendment was made for the 55th instance on June 22, 2021.</u></p>	<p>Amendment was made for the 47th instance on June 13, 2008.</p> <p>Amendment was made for the 48th instance on June 9, 2010.</p> <p>Amendment was made for the 49th instance on June 26, 2014.</p> <p>Amendment was made for the 50th instance on June 22, 2016.</p> <p>Amendment was made for the 51st instance on June 26, 2017.</p> <p>Amendment was made for the 52nd instance on June 26, 2018.</p> <p>Amendment was made for the 53rd instance on June 25, 2019, and took effect upon approval of the shareholders' meeting (Company name, Article 1, 2, and 4 took effect on spin-off reference date).</p> <p>Amendment was made for the 54th instance on June 23, 2020.</p>	

Lien Hwa Industrial Holdings Corporation

The comparison table of the “Rules of Procedure for Shareholders’ Meetings of Lien Hwa Industrial Holdings Corporation” before and after revision

After amendment	Before amendment	Description
<p>Article 3: (Paragraph 1, 2, and 3 omitted)</p> <p>Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a shareholders’ meeting, and shall not be brought up as extemporary motions.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting,</p>	<p>Article 3: (Paragraph 1, 2, and 3 omitted)</p> <p>Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a shareholders’ meeting, and shall not be brought up as extemporary motions. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting,</p>	<p>Revised in accordance with Tai-Zheng-Zhi-Li-Zi Announcement No. 1090009468 dated June 3, 2020, and Tai-Zheng-Zhi-Li-Zi Announcement No. 1100001446 dated January 28, 2021 issued by TWSE.</p>

After amendment	Before amendment	Description
<p>after the completion of the re-election in said meeting such inauguration date may not be altered by any extemporary motion or otherwise in the same meeting.</p> <p>Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session. However, each shareholder is permitted to propose one motion only. Additional motions will not be included into the agenda of the meeting. The Board of Directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 Section 4 of the Company Act included for discussion.</p> <p><u>Shareholders may put forward proposal urging the corporation to promote public interests or fulfill its social responsibilities. In accordance with Article 172-1 of the Company Act, such proposal shall be limited to 1 item per shareholder only, and no proposal containing more than one item will not be included in the meeting agenda.</u></p> <p>(The following is omitted)</p>	<p>after the completion of the re-election in said meeting such inauguration date may not be altered by any extemporary motion or otherwise in the same meeting.</p> <p>Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session. However, each shareholder is permitted to propose one motion only. Additional motions will not be included into the agenda of the meeting. <u>However, a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors.</u> The Board of Directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 Section 4 of the Company Act included for discussion.</p> <p>(The following is omitted)</p>	
<p>Article 10</p> <p>(Paragraph 1 omitted)</p> <p>The Chairman shall declare the board meeting in session, <u>and announce information including the number of non-voting shares and attending voting shares.</u> However, the Chairman may declare a postponement of the meeting at the meeting time when the attending shareholders constitute less than a</p>	<p>Article 10</p> <p>(Paragraph 1 omitted)</p> <p>The Chairman shall declare the board meeting in session. However, the Chairman may declare a postponement of the meeting at the meeting time when the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two postponements for a total of less</p>	<p>Revised in accordance with Tai-Zheng-Zhi-Li-Zi Announcement No. 1100001446 dated January 28, 2021 issued by TWSE.</p>

After amendment	Before amendment	Description
<p>majority of shareholdings. The meeting is limited to two postponements for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>(The following is omitted)</p>	<p>than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>(The following is omitted)</p>	
<p>Article 15</p> <p>The director election at a shareholders' meeting shall be held in accordance with the applicable election and appointment <u>procedures</u> adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, <u>and the list of persons not elected as directors and the numbers of votes cast for them.</u></p> <p>(The following is omitted)</p>	<p>Article 15</p> <p>The director election at a shareholders' meeting shall be held in accordance with the applicable election and appointment <u>regulations</u> adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.</p> <p>(The following is omitted)</p>	<p>Revised in accordance with Tai-Zheng-Zhi-Li-Zi Announcement No. 1100001446 dated January 28, 2021 issued by TWSE.</p>
<p>Article 20</p> <p>The Procedures were adopted on June 10, 1977. Amendment was made for the 1st instance on June 7, 1983. Amendment was made for the 2nd instance on June 13, 1996. Amendment was made for the 3rd instance on June 2, 1998. Amendment was made for the 4th instance on June 2, 1999. Amendment was made for the 5th instance on May 19, 2000. Amendment was made for the 6th instance on May 28, 2002. Amendment was made for the 7th</p>	<p>Article 20</p> <p>The Procedures were adopted on June 10, 1977. Amendment was made for the 1st instance on June 7, 1983. Amendment was made for the 2nd instance on June 13, 1996. Amendment was made for the 3rd instance on June 2, 1998. Amendment was made for the 4th instance on June 2, 1999. Amendment was made for the 5th instance on May 19, 2000. Amendment was made for the 6th instance on May 28, 2002.</p>	<p>Added the number and date of revision</p>

After amendment	Before amendment	Description
<p>instance on June 9, 2010. Amendment was made for the 8th instance on June 26, 2014. Amendment was made for the 9th instance on June 26, 2018. Amendment was made for the 10th instance on September 1, 2019. Amendment was made for the 11th instance on June 23, 2020.</p> <p><u>Amendment was made for the 12th instance on June 22, 2021.</u></p>	<p>Amendment was made for the 7th instance on June 9, 2010. Amendment was made for the 8th instance on June 26, 2014. Amendment was made for the 9th instance on June 26, 2018. Amendment was made for the 10th instance on September 1, 2019. Amendment was made for the 11th instance on June 23, 2020.</p>	

Lien Hwa Industrial Holdings Corporation

The comparison table of the “Procedures for Election of Directors”
before and after revision

After amendment	Before amendment	Description
Lien Hwa Industrial Holdings Corporation <u>Procedures for</u> Election of Directors	Lien Hwa Industrial Holdings Corporation <u>Regulations Governing</u> Election of Directors	Revision of the title
Article 1 <u>To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”</u>		1. New article added 2. The article is added with reference to the law and the needs of practical operation.
Article <u>2</u> Article 1: Except as otherwise provided by <u>law and regulation</u> or the Company's Article of Incorporation, elections of directors shall be conducted in accordance with the <u>Procedures for</u> Election of Directors (hereinafter referred to as “ <u>the Procedures</u> ”).	Article <u>1</u> Article 1: Except as otherwise provided by <u>the Company Act</u> or the Company's Article of Incorporation, elections of directors shall be conducted in accordance with the <u>Regulations Governing</u> Election of Directors (hereinafter referred to as “ <u>the Regulations</u> ”).	1. Adjustment of article number 2. Modified wording
	<u>Article 2</u> <u>The Company’s director elections are held at the shareholders’ meeting.</u>	Deleted
	<u>Article 3:</u> <u>All competent individuals (including legal persons) can be elected as the Company’s directors.</u>	1. Deleted 2. To be in line with Article 4, the qualification requirements for independent directors is added.

After amendment	Before amendment	Description
<p><u>Article 3:</u></p> <p><u>The overall composition of the board of directors shall be taken into consideration in the selection of the Company’s directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company’s business operations, operating dynamics, and development needs. It is advisable that the policy include, but not limited to, the following two general standards:</u></p> <p><u>I. Basic requirements and values: Gender, age, nationality, and culture.</u></p> <p><u>II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</u></p> <p><u>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</u></p> <p><u>1. The ability to make judgments about operations.</u></p> <p><u>2. Accounting and financial analysis ability.</u></p> <p><u>3. Business management ability.</u></p> <p><u>4. Crisis management ability.</u></p> <p><u>5. Knowledge of the industry.</u></p> <p><u>6. An international market perspective.</u></p> <p><u>7. Leadership ability.</u></p> <p><u>8. Decision-making ability.</u></p>		<p>1. New article added</p> <p>2. The article is added with reference to the law and the needs of practical operation.</p>

After amendment	Before amendment	Description
<p><u>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</u></p> <p><u>The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.</u></p>		
	<p><u>Article 4</u></p> <p><u>The number of seats of the Directors, shall comply with the number of seats stated in the Company's Articles of Incorporation.</u></p>	<p>1. Deleted</p> <p>2. Relevant regulations have been stated in Article 7.</p>
<p><u>Article 4</u></p> <p><u>The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."</u></p> <p><u>The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."</u></p>		<p>1. New article added</p> <p>2. The article is added with reference to the law and the needs of practical operation.</p>
<p>Article 5</p> <p>Elections of directors at the Company</p>	<p>Article 5</p>	<p>1. Revised in accordance with</p>

After amendment	Before amendment	Description
<p>shall be conducted in accordance with the candidate nomination system and <u>procedures</u> set out in <u>Article 192-1</u> of the Company Act.</p> <p><u>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u></p> <p><u>When the number of independent directors falls below that required under the provision of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u></p>	<p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in the Company Act, <u>and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u></p>	<p>Tai-Zheng-Zhi-Li-Zi Announcement No. 1090009468 dated June 3, 2020 issued by TWSE, and the needs of practical operation.</p> <p>2. The second part of the original article is moved to Article 6.</p>
<p><u>Article 6</u></p> <p><u>The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u></p>		<p>The second part of Article 5 is moved to Article 6.</p>
<p><u>Article 7</u></p>	<p><u>Article 6</u></p>	<p>1. Adjustment of article number</p>

After amendment	Before amendment	Description
<p>The number of directors will be as specified in the Company’s Articles of Incorporation, <u>with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u> When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>	<p><u>Directors shall be elected by the shareholders’ meeting from among competent persons, and</u> the number of directors will be as specified in the Company’s Articles of Incorporation. <u>The aggregate election details provided by the electronic voting platform and the results of the votes cast at the shareholders’ meeting shall be summed up. The non-independent directors and independent directors shall be elected in the order of the number of votes they receive.</u> When <u>two or</u> more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person, <u>receiving the same number of votes,</u> not in attendance.</p>	<p>2.2. The article is revised with reference to the law and the needs of practical operation.</p>
<p>Article <u>8</u></p> <p>The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. <u>The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders’ meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u></p>	<p>Article <u>7</u></p> <p>The board of directors shall prepare separate ballots for <u>each and individual</u> director. <u>The ballot shall be affixed with the seal of the Board, and filled in with the shareholders’ attendance card numbers and number of voting rights.</u> No physical ballots shall be printed for electric voting.</p>	<p>1. Adjustment of article number 2. The article is revised with reference to the law and the needs of practical operation.</p>
<p>Article 9</p>	<p>Article <u>8</u></p>	<p>1. Combined Article 8 and 9.</p>

After amendment	Before amendment	Description
<p>Before the election begins, the chair <u>shall</u> appoint a number of persons <u>with shareholder status</u> to perform the respective duties of vote monitoring and <u>counting</u> personnel. The <u>ballot boxes</u> shall be prepared by the board of directors and publicly checked by the vote monitoring <u>personnel</u> before voting commences.</p>	<p>Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote <u>monitoring and counting</u> personnel.</p> <p>Article 9</p> <p>The <u>ballot boxes for voting</u> shall be prepared by the board of directors and publicly checked by the vote monitoring <u>personnel</u> before voting commences.</p>	<p>2. The article is revised with reference to the law and the needs of practical operation.</p>
	<p><u>Article 10</u></p> <p><u>If the candidate is a shareholder, the voters shall fill in the candidates' name and account number in the "Candidate" column on the ballot. If the candidate is not a shareholder, the candidates' name and National ID Card number shall be put down. However, if the candidate is a government agency or legal person, such matter shall be handled in accordance with the following:</u></p> <p><u>I. If the candidate is a government agency, the name shall be filled in.</u></p> <p><u>II. If the candidate is a legal person, the name shall be filled in.</u></p> <p><u>III. If the candidate is a representative of a legal person, both the names of the legal person and the representative shall be filled in.</u></p> <p><u>Where there are multiple representatives, all names of the representatives shall be filled in.</u></p> <p><u>IV. The representatives of the government agency and legal</u></p>	<p>1. Deleted</p> <p>2. With reference to Tai-Zheng-Zhi-Li-Zi Announcement No. 1090009468 dated June 3, 2020 issued by TWSE, and Jin-Guan-Zheng-Jiao-Zi Order No. 1080311451 dated April 25, 2019 issued by FSC, elections of directors at the Company shall be conducted in accordance with the candidate nomination system and the shareholders shall elect the directors from among the</p>

After amendment	Before amendment	Description
	<p><u>person shall be competent individuals.</u></p> <p><u>Independent Directors and Non-Independent Directors shall be elected during the same voting session, and have votes allocated separately.</u></p>	<p>nominees listed in the roster of director candidates. Shareholders shall be informed of relevant information on each candidate from the roster of director candidates before the shareholders' meeting. This article is thus deleted.</p>
<p>Article <u>10</u></p> <p><u>A ballot is</u> invalid under any of the following <u>circumstances</u>:</p> <ol style="list-style-type: none"> <u>1. The ballot was not prepared by a person with the right to convene.</u> <u>2. Blank ballots are cast into the ballot box.</u> 	<p>Article <u>11</u></p> <p><u>Ballots that are found with</u> any of the following <u>are invalid</u>:</p> <ol style="list-style-type: none"> <u>1. The ballot was not placed in the ballot box.</u> <u>2. Ballots that are not prepared by the Company's Board of Directors, not affixed with the seal of Company's Board of Directors, or not filled in with the attendance card numbers and the number of voting rights allotted.</u> <u>3. A blank ballot that is not completed by the voter.</u> <u>4. If the candidate is a shareholder, the "Candidate" column is only filled in with either the candidates' name or account number, or the shareholder account no. does not conform to the director candidate list. If the candidate is a shareholder,</u> 	<ol style="list-style-type: none"> 1. Adjustment of article number 2. Revised in accordance with Tai-Zheng-Zhi-Li-Zi Announcement No. 1090009468 dated June 3, 2020 issued by TWSE, and the needs of practical operation.

After amendment	Before amendment	Description
<p><u>3.</u> The writing on the ballots is illegible <u>or has been altered.</u></p> <p><u>4.</u> <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u></p> <p><u>5.</u> <u>Ballots that contain writings other than the number of voting rights allotted.</u></p>	<p><u>the “Candidate” column is only filled in with either the candidates’ name or National ID Card number, the National ID Card number does not conform to the director candidate list.</u></p> <p><u>5.</u> <u>Total number of voting rights put on the ballot exceeds the number of voting rights indicated on the ballot.</u></p> <p><u>6.</u> <u>Pictures, symbols or unidentified marks other than the candidates’ name, shareholder account no. or National ID Card number were put on the ballot.</u></p> <p><u>7.</u> The writing on the <u>ballots</u> is <u>unclear and</u> illegible.</p> <p><u>8.</u> <u>Any of the candidates’ name, shareholder account no. or National ID Card number have been altered.</u></p> <p><u>9.</u> <u>Two or more than candidates were put on the same ballot.</u></p>	
<p>Article <u>11</u></p> <p>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, <u>including the list of persons elected as directors and the numbers of votes with which they were elected, and the list of persons not elected as directors and the numbers of votes cast for them</u> shall be announced by the chair on the site.</p>	<p>Article <u>12</u></p> <p>The voting rights shall be calculated on site immediately after the end of the poll, <u>under the monitor of monitoring personnel</u> and the results of the calculation shall be announced by the chair on the site.</p>	<p>1. Adjustment of article number</p> <p>2. The article is revised with reference to the law and the needs of practical operation.</p>

After amendment	Before amendment	Description
<p><u>The ballots for the aforementioned election shall be kept in the box, sealed and signed by the witness, and retained for at least one year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.</u></p>		
<p>Article <u>12</u></p> <p>The <u>Procedures</u>, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Article <u>13</u></p> <p>The <u>Regulations</u>, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Adjustment of wording and article number</p>
<p>Article 13</p> <p>The Procedures were adopted on June 13, 1996. Amendment was made for the 1st instance on May 28, 2002. Amendment was made for the 2nd instance on June 26, 2014. Amendment was made for the 3rd instance on June 26, 2018. Amendment was made for the 4th instance on September 1, 2019. <u>Amendment was made for the 5th instance on June 22, 2021.</u></p>	<p>Article 13</p> <p>The Regulations were adopted on June 13, 1996. Amendment was made for the 1st instance on May 28, 2002. Amendment was made for the 2nd instance on June 26, 2014. Amendment was made for the 3rd instance on June 26, 2018. Amendment was made for the 4th instance on September 1, 2019.</p>	<p>Added the number and date of revision</p>

List of Director Candidates and Information

Director Candidates	Account No.	Name	No. of shares held	Education background	Major work experiences	Current positions
Director Candidates	139698	Y.S. Educational Foundation Representative: Matthew Feng-Chiang Miao	38,396,139 —	Honorary Doctoral Degree, National Chiao Tung University Master of Business Administration, Santa Clara University Bachelor of Science in Engineering, University of California, Berkeley Industrial Technology Research Institute Laureate	President of UPC Technology Corp. General Manager of Linde Lienhwa Industrial Gases Co., Ltd. Chairman of Synnex Corporation (US) Independent Director of Galileo International LLC Independent Director of British Oxygen Group of Companies Cryoplants Independent Director of Linde Group Representative of the APEC Business Advisory Council Convener of the National Information and Communications Initiative Committee	Chairman and CSO of Lien Hwa Industrial Holdings Corporation Chairman and CSO of UPC Technology Corp. Chairman and Overseas CEO of Synnex Technology International Corp. Chairman and CSO of MiTAC Holdings Corp. Chairman and CEO of MiTAC Inc. Director of Getac Technology Corp. Director of MiTAC Information Technology Corp. Director of Linde Lienhwa Industrial Gases Co., Ltd. Independent Director of Cathay Financial Holdings Independent Director of Cathay Century Insurance Co., Ltd. Independent Director of Cathay United Bank Director of SYNEX Corporation
Director Candidates	4	John Miao	38,612,279	Master of Science in Engineering at Santa Clara University	President of MiTAC Inc. (USA) Chairman of Linde Lienhwa Industrial Gases Co., Ltd. Chairman of HanTech Venture Capital Corporation	Vice Chairman of Lien Hwa Industrial Holdings Corporation Director of UPC Technology Corp. Director of MiTAC Inc. Director of MiTAC Information Technology Corp. Director of Great Wall Enterprise Co., Ltd. Honorary Chairman of Linde Lienhwa Industrial Gases Co., Ltd.

Director Candidates	Account No.	Name	No. of shares held	Education background	Major work experiences	Current positions
Director Candidates	—	Roger Lin	—	Bachelor of Business Administration, National Taiwan University	Manager of Finance Department of UPC Technology Corp. President Special Assistant of the Chairman of MiTAC-Synnex Group Assistant Manager of Administrative Management Department of Orient Union Chemical Corp.	President of Lien Hwa Industrial Holdings Corporation Director of UPC Technology Corp. Director of Linde Lienhwa Industrial Gases Co., Ltd.
Director Candidates	60196	UPC Technology Corp.	124,036,071			
		Representative: Chun Chen	—	Master of Law, National Taiwan University Visiting Researcher, Johann Wolfgang Goethe-University Frankfurt am Main	Premier, Vice Premier Chairperson of Financial Supervisory Commission Chairman of SinoPac Financial Holdings Co., Ltd. Chairman of KGI Securities Co., Ltd. Chairman of Taiwan Cooperative Bank Chairman of Taiwan Stock Exchange Political Deputy Minister of Ministry of Finance	Director of Lien Hwa Industrial Holdings Corporation Chair Professor of Law and Business Administration, Soochow University Director of UPC Technology Corp. Independent Director, TransGlobe Life Insurance Inc. Independent Director of USI Corp. Chairman of The Appacus Foundation
		Representative: Song-En Sun	—	Bachelor of Business Administration, National Taiwan University	Chairman of Pao Hwa Trading Co., Ltd. Chairman of Yi Yuan Investment Co., Ltd.	Director of Lien Hwa Industrial Holdings Corporation Chairman of Pao Hwa Trading Co., Ltd. Chairman of Yi Yuan Investment Co., Ltd.
Director Candidates	8060	Yi Yuan Investment Co., Ltd.	117,170,225			

Director Candidates	Account No.	Name	No. of shares held	Education background	Major work experiences	Current positions
		Representative: Cheng-Yu Tan	—	Bachelor of Science in Engineering, Chung Yuan Christian University	Director of First Textile Industries Inc.	Director of Lien Hwa Industrial Holdings Corporation Director of First Textile Industries Inc. Director of Xin Tai Investment Co., Ltd.
		Representative: Jason Chow	—	Master of Economics, The Ohio State University	Supervisor of Linde Lienhwa Industrial Gases Co., Ltd.	Director of Lien Hwa Industrial Holdings Corporation Supervisor of Linde Lienhwa Industrial Gases Co., Ltd.
Independent Director Candidates	—	Lucy-Sun Hwang	—	Doctor of Philosophy in Food Science, Rutgers University	Lifetime Distinguished Professor, Institute of Food Science and Technology, National Taiwan University Dean of Institute of Food Science and Technology, National Taiwan University	Independent Director of Lien Hwa Industrial Holdings Corporation Honorary Professor, Institute of Food Science and Technology, National Taiwan University
Independent Director Candidates	—	Lo-Hou Chew	—	MBA, Massachusetts Institute of Technology	President of H & Q Taiwan Co., Ltd. President of EMMT Systems Corp. Director, National Measurement Laboratory Senior Engineer, Manager, Team leader of Industrial Technology Research Institute Chief Engineer of ITT Huanyu Company	Independent Director of Lien Hwa Industrial Holdings Corporation Chairman of Fortune Consulting Group, Inc. Chairman of Telegent Technology Corporation Director of Fu Cheng Asset Management Co., Ltd.
Independent Director Candidates	—	Chien-Jen Chen	—	Honorary Doctoral Degree in Law, Fu Jen Catholic University Doctoral Program, Universidad Complutense de Madrid Master in Law, University of Cambridge Researcher, Georgetown University Master of Law, Department of Diplomacy, National Chengchi University	Vice Minister, Deputy Minister, Minister of Ministry of Foreign Affairs Adjunct Professor, National Chengchi University. Chair Professor, Fu Jen Catholic University 2nd Legislator, Legislative Yuan Director-General, Government Information Office Taiwan's representative to the United States. Taiwan's representative to the EU and Belgium	Independent Director of Lien Hwa Industrial Holdings Corporation Managing Director, Taipei Forum Independent Director of Amita Technologies Inc. Supervisor of Shin Kong Investment Trust

Lien Hwa Industrial Holdings Corporation
Information on the Non-competition of Director Candidates

Names of directors	Serving concurrently as directors and managerial officers of other companies
Matthew Feng-Chiang Miao Director Representative of Y.S. Educational Foundation	Chairman and CSO of UPC Technology Corp. Chairman and Overseas CEO of Synnex Technology International Corp. Chairman and CSO of MiTAC Holdings Corp. Chairman and CEO of MiTAC Inc. Director of Getac Technology Corp. Director of MiTAC Information Technology Corp. Director of Linde Lienhwa Industrial Gases Co., Ltd. Independent Director of Cathay Financial Holdings Independent Director of Cathay Century Insurance Co., Ltd. Independent Director of Cathay United Bank Director of SYNEX Corporation
John Miao Director	Director of UPC Technology Corp. Director of MiTAC Inc. Director of MiTAC Information Technology Corp. Director of Great Wall Enterprise Co., Ltd. Director of Linde Lienhwa Industrial Gases Co., Ltd.
Chun Chen Director Representative of UPC Technology Corp.	Director of UPC Technology Corp. Independent Director, TransGlobe Life Insurance Inc. Independent Director of USI Corp. Chairman of The Appacus Foundation
Song-En Sun Director Representative of UPC Technology Corp.	Chairman of Pao Hwa Trading Co., Ltd. Chairman of Yi Yuan Investment Co., Ltd.
Cheng-Yu Tan Director Representative of Yi Yuan Investment Co., Ltd.	Director of First Textile Industries Inc. Director of Xin Tai Investment Co., Ltd. Chairman of Tanshengdao Charity Foundation
Jason Chow Director Representative of Yi Yuan Investment Co., Ltd.	Director of United Industrial Gases Co., Ltd. Assistant General Manager of Linde Lienhwa Industrial Gases Co., Ltd
Roger Lin Director	Director of UPC Technology Corp. Director Director of Linde Lienhwa Industrial Gases Co., Ltd. Director of Pao Long International Co., Ltd. Director Chairman of Yantai Taihwa Food Industry Co., Ltd. Chairman of Hifood (Shanghai) Co., Ltd. Chairman
Lo-Hou Chew Independent Director	Chairman of Fortune Consulting Group, Inc. Chairman of Telegent Technology Corporation Director of Fu Cheng Asset Management Co., Ltd.
Chien-Jen Chen Independent Director	Independent Director of Amita Technologies Inc.

Lien Hwa Industrial Holdings Corporation

The impact of the issuance of bonus shares proposed to the present shareholders' meeting upon the Company's business performance and earnings per share (EPS)

Item	Year	2021 (estimation)	
Initial paid-up capital		12,814,983	
Stock and cash dividends this year (Note 1)	Cash dividends per share (dollars)	1.70	
	Stock dividends per share form capital increase from retained earnings (stocks)	0.10	
	Stock dividends per share form capital increase from capital surplus (stocks)	—	
The change situation of business result	Operating income		
	Year on year increase(decrease)ratio of operating income (percent)		
	Profits after tax		
	Year on year increase(decrease)ratio of profits after tax (percent)		
	Earnings per share (dollars)		
	Year on year increase(decrease)ratio of earnings per share (percent)		
	Average annual ratio of return on investment (percent)		
Pro forma earnings per share and P/E ratio	If the Company changed the capital increase form retained earnings to cash dividends distribution	Pro forma earnings per share (dollars)	Not applicable (Note 2)
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus and retained earnings, the Company distributes cash dividends	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investmen (percent)	

Note 1. Not yet resolved by 2021 Shareholder meeting.

Note 2. According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company does not disclose complete financial forecast and therefore does not need to disclose the 2021 forecast information.

Lien Hwa Industrial Holdings Corporation (Before revision)

Article of Incorporation

Chapter I General Provision

- Article 1: Company has been duly incorporated in accordance with the Company Act and named Lien Hwa Industrial Holdings Corporation.
- Article 2: The following are the Company's principal business activities:
IX. H201010 General investment
- Article 3: The Company may act as a guarantor in favor of a third party outside the company for business purpose.
- Article 4: The Company's principal business activity is investment and the total amount of the investment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Paragraph 2, Article 13 of the Company Act.
- Article 5: The Company has its headquarters located in Taipei City and if necessary, branches can be established domestically or overseas.

Chapter II Shares

- Article 6: The total amount of the Company's capital stock shall be NT\$ 15 billion, divided into 150 million shares, at par value of NT\$ 10 per share. Among the shares, 60 million shares were reserved for employee stock options, and the Board of Directors has been authorized to issue the shares in tranches. The remaining unissued shares are will be issued by the Board of Directors based on the business needs, and part of the shares may be issued as preferred shares.

Articles 6-1:

The rights and obligation of the Company's preference shares and other important issuance conditions are as follows:

1. Payout of preferred share dividends is limited to 8% per annum on the issue price, distributable in cash on a yearly basis. Once the financial reports have been acknowledged in a General Meeting, the board of directors will set the date for the payment of the preferred share dividends distributable in the previous year. The amount of preferred stock dividends payable for the year of initial issue and the year of retirement is prorated based on the actual number of days outstanding.
 2. The Company has discretionary power to distribute dividends on preferred shares. If there is no surplus or insufficient surplus for the distribution of preferred stock dividends in the annual accounts of the Company or there are other necessary considerations, the shareholders' meeting may resolve not to distribute preferred stock dividends. Such resolution shall not constitute a cause of default. If the preferred shares issued are non-cumulative, dividends resolved not to be distributed or under-distributed will not be accumulated and deferred in subsequent years of earnings.
 3. Besides the dividends prescribed in Subparagraph 1 of this Paragraph, shareholders of preferred shares are not entitled to the cash and equity capital of earnings and additional paid-in capital of common shares.
 4. The distribution priority for shareholders of preferred shares on the residual property of the Company is prior to shareholders of common shares, equal to the shareholders of all preferred shares issued by the Company, and lower than general creditors. However, the distribution shall not exceed the issuance amount of outstanding preferred shares at the time of dividend distribution.
 5. Shareholders of preferred shares do not have the right to vote or suffrage. However, they have the right to vote in special shareholders' meetings or motions at shareholders' meeting involving rights and obligations of shareholders of preferred shares.
 6. Preferred shares may not be converted to common shares.
 7. Preferred shares have no maturity. Shareholders of preferred shares do not have the right to request the Company to buy back their preferred shares. However, the Company may buy back all or part of the preferred shares anytime on the next day after five years of issuance at the original issuance price. Preferred shares that are not bought back shall continue to hold rights and obligations of issuance terms prescribed in the preceding subparagraphs. If dividend is resolved to be distributed for the year, the amount of dividends prorated based on the actual number of days outstanding of the year as of the retirement date.
 8. The premium received from the issuance of preferred shares shall not be capitalized during the issue period of the preferred shares, but may be used to offset operation losses.
The board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Company's Articles of Incorporation and related laws and regulations.
- Article 7: The Company issues registered shares which are numbered and authorized with signatures/specimen seals Director representing the Company subject to certification as required by law before issuance. The stock shares are issued after being certified by the certification agency designated by the competent authority.
After public offering, the Company may issue shares without printing share certificates. However, the shares shall be registered with a centralized securities depository enterprise.
- Article 8: Unless otherwise stipulated by laws or regulations regarding securities, the Company's stock affairs are processed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" provided by the competent authority.
- Article 9: The transfer of shares shall be suspended by 60 days before General Meeting, or 30 days before Special Meeting, or

within 5 days before the Company decides to distribute stock dividends or other benefits.

Article 9-1

Treasury shares bought back by the Company may be transferred to employees of the Parent or subsidiaries of the Company who meet certain criteria.

The employee stock options may be issued to employees of the Parent or subsidiaries of the Company who meet certain criteria.

When the Company issues new shares, employees who subscribe to the shares may include employees of the Parent or subsidiaries of the Company who meet certain criteria.

The Company's restricted stock may be issued to employees of the Company's Parent or subsidiaries who meet certain criteria.

The Chairman is authorized to determine the criteria of the employees of the Company's Parent or subsidiaries.

Chapter III Shareholders' Meeting

Article 10: Shareholders' meetings are consisted of regular sessions and extraordinary sessions. Regular sessions are convened by the Board once a year within 6 months after close of each fiscal year. Extraordinary sessions are called for at any time when necessary in accordance with the law, and are convened by the Board of Directors unless otherwise provided by the laws and regulations.

A Special Meeting is convened, when necessary in accordance with the law.

Article 11: The Rules of Procedure for Shareholders' Meetings is formulated in accordance with the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" provided by the FSC. The same shall apply to amendments made thereto.

Article 12: Shareholders should be informed of the reasons for convening a meeting 30 days before the regular sessions and 15 days before the extraordinary sessions.

Article 13: If specific shareholder cannot attend the shareholders' meeting in person, such shareholder shall use the authorization of agent printed by the Company and specify the scope of authorization for appointing a proxy to attend the meeting. Unless otherwise provided in the Company Act, the shareholders' attendance by proxy at shareholders' meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" provided by the competent authority.

Article 14: Unless otherwise provided in laws or the Article of Incorporation, each share of the Company's common shares is entitled to one voting right. However this shall not apply to non-voting preferred shares or shares held by the Company in accordance to the law.

Article 15: Unless applicable laws specified otherwise, resolutions of the shareholders' meeting shall be made by a simple majority of the shareholders, attending in person or by proxy, representing more than half of the total outstanding shares.

Article 16: Shareholders' meetings shall be held in the city or county where the Company headquarter is located, the factory sites of the Company or other locations which are easily accessible to shareholders.

Article 17: Where the Board of Directors may call for the General Meeting, the Chairman shall preside over the meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where both the Chairman and the Vice Chairman are absent, the Chairman shall appoint a director to act as an agent to preside over the meeting. If the Chairman does not have a representative appointed to perform this duty, the Directors shall select one among themselves to preside over the meeting. Where an entitled third party other than the Board of Directors may call for the shareholders' meeting, such party shall preside over the meeting. In case there are two entitled parties calling for the shareholders' meeting, one of them shall be nominated to preside over the meeting. The Company's shareholders' meetings are handled in accordance with the "Rules of Procedure for Shareholders' Meetings."

Article 18: The resolutions reached in the shareholders' meeting must be documented in the minutes. The preparation, distribution and safekeeping of the meeting minutes shall be handled in accordance with the Company Act and other related laws and regulations. The attendance register and proxy forms of a shareholders' meeting shall be retained for at least 1 year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.

Chapter IV Directors and Managerial officers

Article 19: The Company shall establish 7-10 seats of directors and among them, 3 seats are independent directors, who shall be persons of legal competent and elected by the shareholders' meetings. Directors shall have tenure of 3 years and may be assume a second term of office if reelected. Unless otherwise stipulated by the laws and regulations, the election of Directors shall be handled in accordance with the Company's "Rules Governing the Election of Directors." After the election, the Company may take out an liability insurance policy for the directors upon the resolution at a directors meeting. The Board of Directors is authorized to determine the remuneration to Directors with reference to the suggestions provided by the Remuneration Committee and the remuneration level of the peers in the same industry.

The Company adopts the nomination system for election of the Directors, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

Article 20: The total number of registered shares held by all Directors shall not be fewer than a certain percentage of the outstanding shares. The said percentage is as determined by the orders from the competent authority.

Article 21: The Company has establishes 1 Chairman, and may establish 1 Vice Chairman, who shall be elected among the Board of Directors by the majority of directors at the director meeting attended by more than two thirds of the directors. The Chairman is responsible for all matters internally and represents the Company externally.

Article 22: The Chairman shall preside over the director meetings. In the absence of the Chairman, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where both the Chairman and the Vice

Chairman are absent, the Chairman shall appoint a director to act as an agent to preside over the meeting. If the Chairman does not have a representative appointed to perform this duty, the Directors shall select one among themselves to preside over the meeting.

The Board shall convene with the cause of the session specified in the notice 7 days in advance to the acknowledgment of all Directors. In case of emergency, director meetings may be convened at any time.

The Board may call for the aforementioned director meeting with notice in writing, e-mail or fax.

Article 23: Unless the Company Act specifies otherwise, resolutions of the Board may be made by a session with the presence of at least half of the seats of Directors and by a simple majority of these Directors. In case the Chairperson is unable to be present for any cause, he/she may appoint a director as a proxy. However, one person may only act as proxy of one other person.

Article 24: The Board may convene via teleconferencing and the Directors participating in the teleconference shall be deemed attending the Board session in person.

Article 25: The Company has the Audit Committee set-up in accordance with the Securities and Exchange Act. The Audit Committee shall be composed by all independent directors. The Audit Committee or the Audit Committee members are responsible for carrying out the duties and responsibilities of supervisors as stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

Article 26: The Company has established managerial officers, and the titles shall be determined in accordance with the Company's needs. Appointment and discharge of the managerial officers shall be decided by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the Company. The Company may establish a CEO and Vice CEO. Appointment and discharge of the COE and Vice CEO shall be decided by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the Company.

Chapter V Accounting

Article 27: The Company's fiscal year is from January 1 to December 31. At the end of the fiscal year, the Board shall prepare the following reports and submit them to the General Meeting for approval.

1. Business report
2. Financial statements
3. Proposal for earnings distribution or loss supplement

Article 28: If the Company is operating at a profit, the Company shall appropriate no less than 0.1 % of the earnings as remuneration to employees, and no more than 1% as remuneration to Directors. However, the earnings shall be used to offset deficits, if any.

The aforementioned earnings refers to the annual income before tax and before deducting remuneration to employees and directors.

The allocation of remuneration to employees and directors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

Remuneration to directors shall be distributed in the form of cash. Remuneration to employees may be paid in the form of shares or cash. The Chairman is authorized to determine the criteria of the employees of the Company's Parent or subsidiaries.

The Company is now at the stable growth stage and most of the earnings are from the investees recognized under the equity method. For the sustainable operation and long-term development of the company, the Company shall first use the earning to pay tax and offset the accumulated losses, then appropriate 10% of the earnings as legal reserve and appropriate or reverse the special reserve according to the laws and regulations. The remaining earnings, if any, is used to distribute dividends that may be distributed for preferred shares. When distributing the remaining earnings with the accumulated earnings undistributed, the Board of Directors shall propose a motion for the distribution. When distributing in the form of new shares, a motion shall be submitted to the shareholders' meeting for approval before distribution. In accordance with Article 240 Paragraph 5 of the Company Act, if the aforementioned earnings are distributed in the form of cash, approval for such distribution should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should then be reported during a shareholders' meeting.

The directors' meeting shall consider the financial structure of the Company, future funding demand and profit-seeking conditions to plan the ratio of the earning distribution and shareholder's cash dividends and the cash dividends shall not be less than 10% of the total dividends.

Article 28-1:

The Company may distribute, in accordance with Article 241 of the Company Act, all or part of the legal reserve and paid-in capital in form of cash and report to the shareholders' meeting, after such matter has been approved by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.

Chapter VI Supplementary Provisions

Article 29: Regulations governing the affairs of the Company shall be prescribed separately.

Article 30: Matters that are not addressed in the Articles of Incorporation are to be governed in accordance with the Company Act.

Article 31: The Articles of Incorporation is adopted on June 29, 1955. Amendment was made for the 1st instance on March 10, 1956. Amendment was made for the 2nd instance on September 30, 1959. Amendment was made for the 3rd instance on September 30, 1960. Amendment was made for the 4th instance on January 20, 1964. Amendment was made for the 5th instance on August 1, 1965. Amendment was made for the 6th instance on December 12, 1965. Amendment was made for the 7th instance on December 5, 1966. Amendment was made for the 8th instance on September 22,

1967. Amendment was made for the 9th instance on August 8, 1968. Amendment was made for the 10th instance on April 17, 1969. Amendment was made for the 11th instance on May 14, 1970. Amendment was made for the 12th instance on January 16, 1972. Amendment was made for the 13th instance on February 1, 1974. Amendment was made for the 14th instance on December 16, 1974. Amendment was made for the 15th instance on December 15, 1975. Amendment was made for the 16th instance on April 1, 1976. Amendment was made for the 17th instance on June 10, 1977. Amendment was made for the 18th instance on June 2, 1978. Amendment was made for the 19th instance on December 21, 1978. Amendment was made for the 20th instance on June 15, 1979. Amendment was made for the 21st instance on June 28, 1980. Amendment was made for the 22nd instance on April 9, 1981. Amendment was made for the 23rd instance on April 29, 1982. Amendment was made for the 24th instance on June 7, 1983. Amendment was made for the 25th instance on June 27, 1984. Amendment was made for the 26th instance on July 19, 1985. Amendment was made for the 27th instance on June 21, 1986. Amendment was made for the 28th instance on June 10, 1987. Amendment was made for the 29th instance on June 3, 1988. Amendment was made for the 30th instance on June 6, 1989. Amendment was made for the 31st instance on May 24, 1990. Amendment was made for the 32nd instance on June 7, 1991. Amendment was made for the 33rd instance on June 15, 1992. Amendment was made for the 34th instance on June 17, 1994. Amendment was made for the 35th instance on May 30, 1995. Amendment was made for the 36th instance on June 13, 1996. Amendment was made for the 37th instance on May 28, 1997. Amendment was made for the 38th instance on June 2, 1998. Amendment was made for the 39th instance on June 2, 1999. Amendment was made for the 40th instance on May 19, 2000. Amendment was made for the 41st instance on May 22, 2001. Amendment was made for the 42nd instance on May 28, 2001. Amendment was made for the 43rd instance on May 22, 2003. Amendment was made for the 44th instance on May 24, 2005. Amendment was made for the 45th instance on June 15, 2006. Amendment was made for the 46th instance on June 14, 2007. Amendment was made for the 47th instance on June 13, 2008. Amendment was made for the 48th instance on June 9, 2010. Amendment was made for the 49th instance on June 26, 2014. Amendment was made for the 50th instance on June 22, 2016. Amendment was made for the 51st instance on June 26, 2017. Amendment was made for the 52nd instance on June 26, 2018. Amendment was made for the 53rd instance on June 25, 2019, and took effect upon approval of the shareholders' meeting (Company name, Article 1, 2, and 4 took effect on spin-off reference date). Amendment was made for the 54th instance on June 23, 2020.

Rules of Procedure for Shareholders' Meetings of Lien Hwa Industrial Holdings Corporation (Before revision)

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, the Rules of Procedures for Shareholder Meetings (hereinafter referred to as "the Procedures") are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2

The rules and procedures for Lien Hwa Industrial Holdings Corporation's (hereinafter referred to as "the Company") shareholders' meetings, except as otherwise provided by laws and regulations, or the Company's Article of Incorporation, shall be as provided in the Procedures.

Article 3 (Scope The convening of shareholders' meetings and shareholders' meeting notice.)

The Board shall call for the session unless otherwise specified in other applicable laws.

The company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session of the General Meeting. In addition, the company shall also prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled, and prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and the professional share registration agent commissioned by the Company, or release the materials on the site of the meeting.

The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents.

Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

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

Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session. However, each shareholder is permitted to propose one motion only. Additional motions will not be included into the agenda of the meeting. However, a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. The Board of Directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 Section 4 of the Company Act included for discussion.

The Company shall announce the motions proposed by the shareholders, ways of accepting the motions (by correspondence or electronic means), and the place and time for handling the motions before the date on which shares are stopped for transactions before a regular session is scheduled. At least 10 days shall be allowed for handling the motions.

Each motion is limited to 300 words or it will not be included into the agenda. Shareholders shall attend the regular session in period or appointing a proxy to attend and engaged in the discussion of the motion being proposed.

The Company shall inform the shareholders of the motions being proposed and handled before the date of notice of the General Meeting and list the motions meeting the requirements of this Article into the meeting notice. For motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for noting including such motions as a part of the agenda.

Article 4

Each shareholder may present the authorization of agent document prepared by the company with the scope of authorization defined to appoint a proxy to attend each session of the General Meeting.

One shareholder may appoint one proxy and present one authorization of agent only and such document shall be delivered to the company no later than five (5) days prior to the scheduled date of the General Meeting. For repeated authorization of agent, the initial authorization shall prevail unless otherwise the previous authorization has been declared for revocation.

After the delivery of the authorization of agent to the company and that the shareholder desire to attend the meeting in person, or cast the vote in correspondence or electronic form, such shareholder may inform the company for the revocation of the authorization previous made in writing two (2) days prior to the scheduled date of the meeting. Any late arrival of the petition for revocation of the authorization agent will not be accepted. Accordingly, the proxy shall attend the meeting and cast the vote.

Article 5 (Discussions)

If the shareholder meeting is convened by the board of directors, the board of directors will determine the meeting proceedings and motions (including extempore motions or amended motions) shall be passed one at a time. The proceeding cannot be changed unless resolved during the shareholders' meeting.

If only the rearrangement of the orders of the meeting is required, the Chairman shall make such arrangement.

The Chairman may not announce the meeting is adjourned until a resolution is reached (including extempore motions). After the meeting is adjourned upon resolution, shareholders cannot nominate another chairman or seek another venue for continuation of the meeting. If the chair declares the meeting adjourned in violation of the Procedures, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow sufficient opportunities during the meeting for explanation and discussion of proposals and of amendments or extemporary motion put forward by the shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, chair may announce the discussion closed, call for a vote, and allow sufficient time for voting.

Article 6 (Speech of Shareholders)

The attending shareholders must fill out and submit the statement slip stating the purpose of the speech, the shareholder account number (or attendance card number) and account name for the Chairman to determine the order of speakers. The attending shareholders who present a statement slip but do not speak shall be deemed as not speaking. The content of the speech which has been verified shall prevail if it is inconsistent with the statement slip.

Each shareholder (or speaker) may speak not more than twice for one motion, each with a time limit of 5 minutes. However, the speech may be extended only once for 3 minutes with consent from the chair. The Chairman may stop the shareholder from speaking if the speech is in violation of the regulations or outside the scope of the motion.

The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairman and the speaking shareholder. The chairman must stop the offender from speaking.

The legal person entrusted to attend the shareholders' meeting is entitled to appoint only one person. If there is more than one proxy appointed by the institutional shareholder to attend the shareholders' meeting, only one proxy can speak on the same motion.

After an attending shareholder has spoken, chair may respond in person or designate relevant personnel to respond.

Article 7 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

For resolution of the General Meeting, the quantity of shares held by shareholders without voting rights is excluded as a part of the total outstanding shares.

For motions where specific shareholders have a conflict of interest with the company, these shareholder shall be excused from voting and cannot acting as the proxy of another shareholder to exercise the voting right.

The number of shares bearing no voting right is excluded from the number of shares represented by shareholders attending the meeting in the calculation.

If particular person who has been appointed by two (2) or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of agent shall not exceed 3% of the total quantity of outstanding shares bearing voting rights or the voting right in excess of relevant quantity shall not be counted.

Article 8

Shareholders are entitled to one voting right for the holding of each share except those who are under restriction or having no voting right as stated in Article 179-2 of the Company Act.

When the Company holds a shareholders' meeting, the shareholders shall exercise voting rights by electronic means and may exercise voting rights by correspondence. In so doing, the company shall specify the detail of voting by correspondence or electronic means in the notice of shareholders' meeting. Shareholders casting their votes by correspondence or electronic means shall be deemed attending the meeting in person but votes on impromptu motions or amendment to original motions shall be deemed their abstention from voting of these motions.

Shareholders who elect to cast their votes by correspondence or electronic means shall express their intents to the company at least two (2) days before the scheduled date of the meeting. In case of repeated expression of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made.

Where specific shareholder may decide to attend the meeting in person after expressing the intent of casting votes by correspondence or electronic means, such shareholder shall express the intent of revoking the intent previous expressed in the same manner two (2) days before the scheduled date of the meeting. For shareholders who cannot revoke the intents previously made, the votes cast by correspondence or electronic means shall stand. If an expression of intent to vote by correspondence or electronic means has been made and at the same time, a proxy has been appointed to attend the meeting, the votes cast by the proxy in the meeting shall stand.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, the motion is passed in the meeting by the shareholders representing a majority of the balloting rights. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. On the same day after the meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

For the motion with an amendment or alternative put to vote, the Chairman determine their orders for resolution. If one of the motions is put on the ballot and passed, other motions shall be deemed as vetoed without the need for further balloting.

The Chairman is to appoint personnel including the controllers of ballot and tally clerks who are shareholders, provided that all controllers shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting is completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record be made of the vote.

Article 8 (Break and Resumption of Meeting)

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

If the meeting venue is no longer available for continued use before all of the items (including extemporaneous motions) on the meeting agenda have been addressed, the chair may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 10

Attendance at a shareholders meeting shall be calculated based on the number of shares. The number of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in book or the sign-in cards being handed in, plus the votes representing the shares cast by correspondence or electronic means.

The Chairman shall declare the board meeting in session. However, the Chairman may declare a postponement of the meeting at the meeting time when the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two postponements for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

In the event of that postponement has been made twice and the shareholders present in the meeting represent more than one-third of the total outstanding shares, Article 175, paragraph 1 of the Company Act shall be applicable whereby provisional resolution could be made upon approval of the majority of the shareholders present. The Company shall notify the shareholders of the provisional resolutions, and convene another shareholders' meeting within 1 month.

If the session is still in progress with the eventual presence of shareholders representing more than half of the total outstanding shares, the Chairman shall refer the provisional resolution to the General Meeting for finalization pursuant to Article 174 of the Company Act.

Article 11

The shareholders' meeting shall be at the city or county where the Company is located or at a place easily accessible to shareholders and suitable for a shareholders' meeting. The shareholders' meeting time may not be begin earlier than 9:00 am or later than 3:00 pm.

Article 12 (Chairperson, and person in attendance at the shareholders' meeting)

Where the Board of Directors may call for the General Meeting, the Chairman shall preside over the meeting. In the absence of the Chairman or the Chairman cannot perform its duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where the Chairman and the Vice Chairman cannot perform their duties, the Chairman shall appoint an agent to preside over the meeting. If the Chairman does not have a representative appointed to perform this duty, the Directors shall select one among themselves to preside over the meeting.

When a director serves as chair as stated in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be apply for a representative a legal person director that serves as chair.

It is advisable that shareholders' meetings, which are convened by the Board of Directors, be chaired by the Chairman (at least 1 Independent Director) and be attended by a majority of the Directors and the convener of the Auditing Committee in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Where an entitled third party other than the Board of Directors may call for the shareholders' meeting, such party shall preside over the meeting. In case there are two entitled parties calling for the shareholders' meeting, one of them shall be nominated to preside over the meeting.

The Company may appoint its retained lawyers, certified public accountants or related personnel to attend the shareholders' meeting in a non-voting capacity.

Article 13 (Voice recording and videotaping of the shareholders' meeting, and the retaining thereof.)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recording shall be retained for at least 1 year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.

Article 14 (Preparation of attendance register)

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the commencement of the meeting. The place at which attendance registrations are accepted shall be clearly marked and with a sufficient number of suitable personnel assigned to handle the registrations.

The shareholders or their proxies (collectively, "shareholders") shall bring with them the attendance card, sign-in card, or other documents for attending the meeting. The Company shall not add the requirement for additional identification documents for a shareholder's attendance to the meeting. Persons requesting for authorization of agent instrument shall bring their ID documents for confirmation.

The attendance register should be made available at the shareholders' meeting for the attending shareholders to sign or the attending shareholders may have attendance cards presented instead.

The Company shall present the meeting handbook, annual report, attendance card, statement slip, ballots, and other materials for the meeting to shareholders attending the meeting. If there is an election of Directors, ballot for such purpose shall be provided.

Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. The legal person entrusted to attend the shareholders' meeting is entitled to appoint only one person.

Article 15 (Election matters)

The director election at a shareholders' meeting shall be held in accordance with the applicable election and appointment regulations adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the aforementioned election shall be kept in the box, sealed and signed by the witness, and retained for at least one year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.

Article 16

All resolutions of the General Meeting of Shareholders shall be kept as minutes of the meeting on record, signed or sealed by the Chairman, and release to all shareholders within 20 days after the meeting. The preparation and the circulation of the minutes of meeting on record may be made electronically.

The minutes of meeting on record as mentioned may be uploaded to MOPS for announcement.

The content of the minutes of meeting on record shall contain information on the date, month, year, venue, name of chairman, method of resolution, the process of discussion, the summary and result (including statistical tallies of the numbers of votes). Where there is an election, the numbers of votes with which the candidates were elected shall also be disclosed. The said documents shall be kept during the entire perpetuity of the company.

Article 17 (Disclosure)

The Company shall prepare relevant table in designated format for compilation of the statistical data on the quantity of shares represented by proxies or parties requesting for representation to the meeting on the day of the shareholders' meeting and disclose the information at the venue of the meeting.

Where the motions for resolutions may involve materiality identified by the laws or Taiwan Stock Exchange Corporation, the Company shall upload the information to MOPS within stipulated time.

Article 18 (Order at the meeting venue)

The service personnel for the shareholders' meeting shall wear identification badges or armbands.

The Chairman may instruct a prefect team (or security personnel) to maintain order of the meeting. The marshals (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Proctor."

Where the meeting place may be equipped with sound amplifier equipment, the Chairman shall stop any speech delivered by shareholders not using the equipment installed by the company.

In the event of insubordination to the correction of the Chairman, obstruction of the progress of the meeting and failure to take corrective action upon persuasion, the respective shareholder shall be escorted by the prefect or security personnel to leave the venue on the order of the Chairman.

Article 19

The Procedures, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 20

The Procedures were adopted on June 10, 1977. Amendment was made for the 1st instance on June 7, 1983. Amendment was made for the 2nd instance on June 13, 1996. Amendment was made for the 3rd instance on June 2, 1998. Amendment was made for the 4th instance on June 2, 1999. Amendment was made for the 5th instance on May 19, 2000. Amendment was made for the 6th instance on May 28, 2002. Amendment was made for the 7th instance on June 9, 2010. Amendment was made for the 8th instance on June 26, 2014. Amendment was made for the 9th instance on June 26, 2018. Amendment was made for the 10th instance on September 1, 2019. Amendment was made for the 11th instance on June 23, 2020.

Lien Hwa Industrial Holdings Corporation
Directors Election Policy (Before revision)

Appendix 4

- Article 1: Election of the Company's directors shall proceed according to this policy unless otherwise specified in the Company Act or Articles of Incorporation.
- Article 2: Board of directors elections shall be held during shareholder meetings.
- Article 3: All individuals (including corporate entities) of adequate capacity are eligible to be elected as directors of the Company.
- Article 4: The number of directors to be elected shall be governed by the Company's Articles of Incorporation.
- Article 5: Directors of the Company shall be elected using the nomination system, as regulated in the Company Act, in which shareholders will elect from the list of nominated director candidates. Voting shall proceed using the cumulative single-registered method. Each share is vested with voting rights equal to the number of directors to be elected; these voting rights may be concentrated on one candidate or allocated across multiple candidates. Voters shall be identified by the shareholder attendance pass No. specified on the ballot.
- Article 6: The Company shall elect the required number of directors as specified in the Articles of Incorporation during shareholder meetings from persons of adequate capacity. Based on consolidated details of the electronic voting platform and final vote count at the shareholder meeting, candidates receiving the highest number of votes shall be assigned the role of non-independent director followed by independent director. If 2 or more candidates receive the same number of votes, and thereby resulting in more elected candidates than the number of seats specified in the Articles of Incorporation, the candidates receiving equal number of votes shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.
- Article 7: The board of directors is responsible for preparing ballots for the director election. One ballot shall be prepared for each voter; the ballot has to be stamped with the seal of the board of directors and specified with details including the shareholder's attendance pass number and number of votes entitled. No ballot shall be prepared for voters who have exercised voting rights in electronic form.
- Article 8: Before election begins, the chairperson shall appoint several ballot examiners and ballot counters to carry out related duties.
- Article 9: The ballot box will be made available by the board of directors, and shall be opened for inspection by the ballot examiner prior to voting.
- Article 10: If the candidate is a shareholder, voters will have to specify both shareholder account name and number in the "candidate" field of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, the following practices shall apply to candidates that are characterized as government agencies or corporate entities:
1. If the candidate is a government agency, state the name of the government agency.
 2. If the candidate is a corporate entity, state the name of the corporate entity.
 3. If the candidate is the representative of a corporate entity, state both the name of the corporate entity and the name of its representative. If there are several representatives, state the names of each representative separately.
 4. Representative of any government agency or corporate entity must be adequately competent.
- Directors and independent directors shall be elected during the same voting session, and have votes allocated separately.
- Article 11: Ballots are deemed void in any of the following circumstances.
1. Ballots that are not cast into the ballot box.
 2. Ballots that are not prepared by the board of directors, or not stamped with the board of director's seal, or are not printed with shareholder's attendance pass number or number of entitled votes.
 3. Ballots that are left blank.
 4. Where the candidate is a shareholder, the "Candidate" field in the ballot only contains the name or shareholder ID of the candidate, or that the details do not match the shareholder registry. Where the candidate is not a shareholder, the "Candidate" field in the ballot only contains the name or ID number of the candidate, or that the details are incorrect.
 5. The number of votes exercised exceeds the voting rights printed on the ballot.
 6. Ballots that contain writings other than the candidate's name, shareholder ID or ID card number, such as drawings, symbols or objects of unknown nature.
 7. Ballots with illegible writing.
 8. Ballots with modified details such as the candidate's name, shareholder ID or ID card number.
 9. Where the names of two or more candidates are printed on the same ballot.
- Article 12: Ballots are to be counted openly and immediately under the supervision of the ballot examiner after voting is completed. The chairperson will announce the outcome of the vote.
- Article 13: This policy shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions. This policy was first established on June 13, 1996. The 1st amendment was made on May 28, 2002; the 2nd amendment was made on June 26, 2014; the 3rd amendment was made on June 26, 2018 ; the 4rd amendment was made on Sept 1, 2019.

Lien Hwa Industrial Holdings Corporation
Facts about shareholding status by all directors

Book closure date: 2021/04/24

Position	Name		Current shareholding		Remarks	
			Type	Shares		Shareholding ratio (%)
Director	Matthew Feng-Chiang Miao		Ordinary	40,872,986	3.19%	
Director	John Miao			38,612,279	3.01%	
Director	Chun Chen	Rep:UPC Technology Corporation		124,036,071	9.68%	
Director	Song-En Sun					
Director	Cheng-Yu Tan	Rep:Yiyuan Investment Corporation		117,170,225	9.14%	
Director	Jason Chow					
Director	Roger Lin	Rep:Hua Cheng Investment Corporation		140,980	0.01%	
Independent Director	Lucy-Sun Hwang			0	0.00%	
Independent Director	Lo-Hou Chew			0	0.00%	
Independent Director	Chien-Jen Chen			0	0.00%	
Total				320,832,541	25.03%	

Total Issued shares: 1,281,498,215 shares on 2021/04/24 (book closure date).

Note: The minimum required combined shareholding of all directors by law:

32,000,000shares.

The combined shareholding of all directors on the book closure date:

320,832,541 shares.

The Audit Committee is set for the Company, so there is no held amount of shares of supervisors.

The shares held by independent directors shall not be counted in the calculation of director shareholdings.