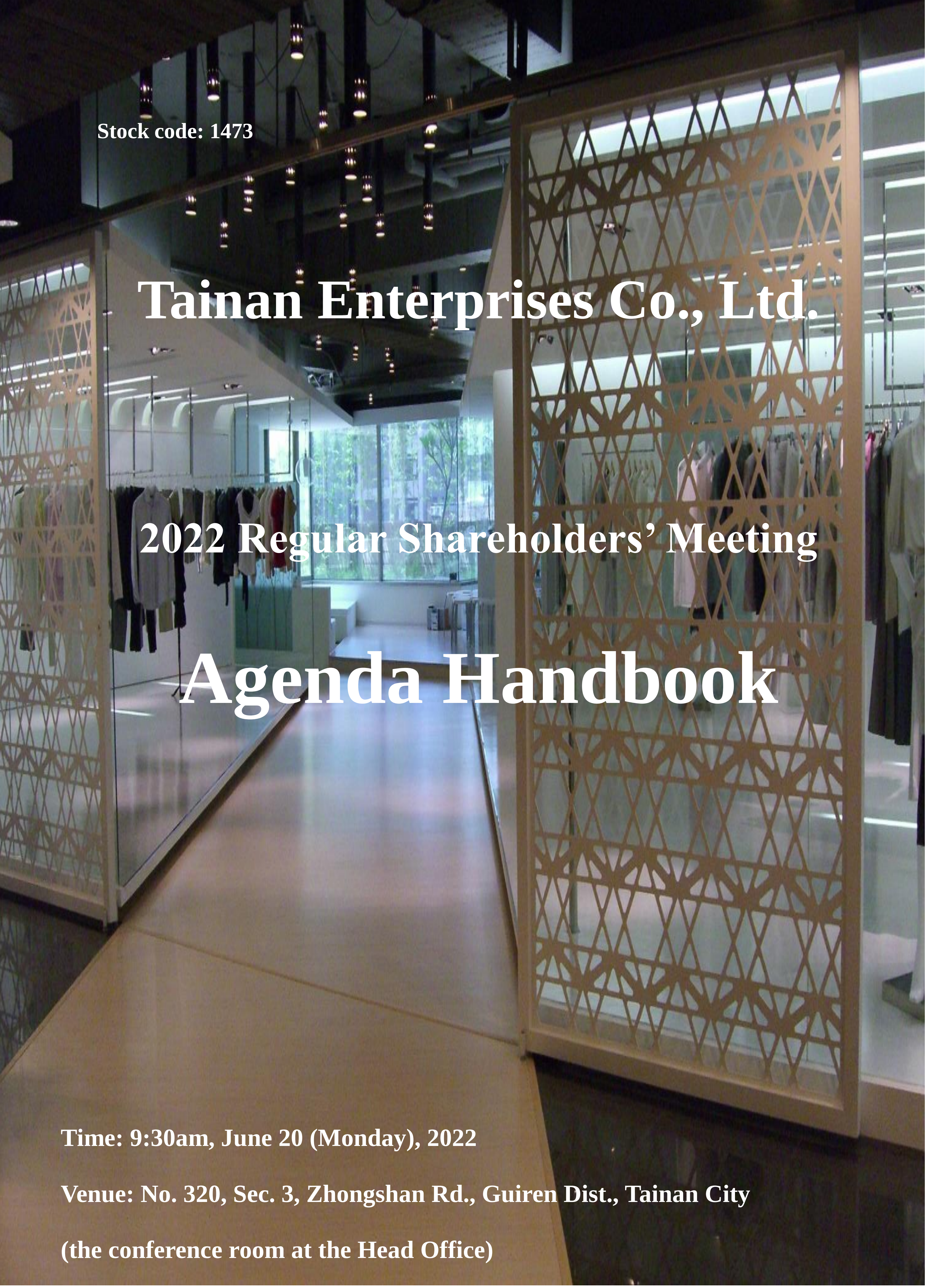

Stock code: 1473

Tainan Enterprises Co., Ltd.

2022 Regular Shareholders' Meeting

Agenda Handbook

Time: 9:30am, June 20 (Monday), 2022

Venue: No. 320, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City

(the conference room at the Head Office)

Table of Contents

Tainan Enterprises Co., Ltd.

Meeting Procedures for 2022 Regular Shareholders’ Meeting

I. Call Meeting to Order

II. Chairman's Address

III. Reports

IV. Ratifications

V. Discussions

VI. Extempore Motions

VII. Adjournment

Tainan Enterprises Co., Ltd.

2022 Regular Shareholders' Meeting

Time : 9:30am, June 20 (Monday), 2022

Venue : No. 320, Sec. 3, Zhongshan Rd., Guiren Dist., Tainan City (the conference room at the Head Office)

Manner : The regular shareholders' meeting will be convened in a physical manner.

I. Call Meeting to Order: announcing the number of attending shares

II. Chairman's Address:

III. Reports

(1) Business report 2021.

(2) Audit Committee's Audit Report.

(3) Report on the 2021 profit sharing remuneration to employees and directors and the distribution status.

IV. Ratifications

(1) Ratify the Company's 2021 business report and financial statements.

(2) Ratify the Company's earnings distribution proposal for 2021.

V. Discussions

(1) The Company's proposal for distribution of cash dividends from capital surplus.

(2) Amendment to the Company's Articles of Incorporation.

(3) Amendment to the "Procedures for the Acquisition or Disposal of Assets".

(4) Amendment to the "Rules of Procedures for Shareholders' Meetings".

(5) Amendment to the "Procedures for Election of Directors".

VI. Extempore Motions

VII. Adjournment

Reports

Proposal 1 : Please review the 2021 Business Report.

Description : For the 2021 Business Report, please refer to Attachment 1, page 8-10 of the handbook.

Proposal 2 : Please review the Audit Committee's Audit Report.

Description : For the Audit Committee's Audit Report, please refer to Attachment 2, page 11 of the handbook

Proposal 3 : Report on the 2021 distribution of remuneration to employees and directors.

Description :

I. Pursuant to Article 31 of the Company's Articles of Incorporation, the Company shall distribute the profit sharing remuneration to employees at a rate of not less than 1% of the Company's profit for the year and the profit sharing remuneration to directors at a rate of not more than 5% of the Company's profit for the year.

II. The Company's profit before tax for 2021, before the distribution of employees' and directors' profit sharing remuneration, was NT$(138,281) thousand and in accordance with the Company's Articles of Incorporation, no employees' and directors' remuneration will be distributed for the year.

Ratifications

Proposal 1 :

Cause : Ratify the Company's 2021 business report and financial statements. (Proposed by the board of directors)

Description : I. The Company's 2021 financial statements, including parent-only and consolidated balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flow, have been audited by Tien, Chung-Yu, CPA and Lin, Tzu-Shu, CPA from PwC Taiwan.

II. For the business report, Independent Auditor's Report, and the abovementioned financial statements, please refer to Attachment 1, page 8-10, and Attachment 3, page 12-32 of the handbook.

III. Please ratify

Resolution :

Proposal 2 :

Cause : Ratify the Company's earnings distribution proposal for 2021 (Proposed by the board of directors)

Description : Regarding the earnings distribution proposal for 2021, the resolution adopted by the Board Meeting on March 22, 2022 is following:

I. The Company's undistributed earnings at the beginning of the period amounted to NT$189,646,046 as of the beginning of 2021. After deducting the net loss for the year and providing for special reserve, the accumulated distributable earnings at the end of the period were NT$0; therefore, no distribution will be made.

II. This case has been reviewed and approved by the Audit Committee and will be submitted to the shareholders' meeting for adoption after the approval by the Board Meeting. Please refer to Attachment 4, page 33 of the handbook.

III. Please ratify

Resolution :

Discussions

Proposal 1 : The Company's proposal for distribution of cash dividends from capital surplus (Proposed by the board of directors)

Description : I. The Company plans to allocate the cash dividends at NT$0.1 per share from the additional paid-in capital in excess of par - common stock, totaling NTD14,615,353, subject to the number of shares held by shareholders recorded in the roster of shareholders on the record date of the allocation.

II. In the event that the number of outstanding shares is changed due to the factors, such as repurchase of the Company's shares, transfer of treasury stocks to employees, or other circumstances, it is proposed to authorize the Chairman of Board adjusts the distribution ratio based on the total shares resolved to be distributed by a shareholders' meeting, subject to the number of actual outstanding shares on the record date of the allocation. The cash dividends distributed to each shareholder were calculated and truncated to the nearest NTD at the distribution ratio. The fractional amount less than NT$1 was summed up and recognized by the Company as other revenue of the Company.

III. The aforementioned cash distribution is proposed to be approved by the shareholders' at the 2022 regular shareholders' meeting of the Company and to have the Chairman authorized to determine the base day and payment date of the cash distribution and related matters.

IV. This proposal has been reviewed and approved by the Audit Committee and the Board Meeting and it is now submitted to the shareholders' meeting for discussion.

V. Please discuss.

Resolution :

Proposal 2 : Amendment to the Company's Articles of Incorporation. (Proposed by the board of directors)

Description : I. In order to make the manner of convening shareholders' meetings more flexible, in accordance with Article 172-2-1 of the Company Act and Article 44-9-3 of the Regulations Governing the Administration of Shareholder Services of Public

Companies, the Company's Articles of Incorporation expressly provide that shareholders' meetings may be held by video conference or other means announced by the Ministry of Economic Affairs, and it is proposed to amend certain provisions of the Company's Articles of Incorporation.

II. For the comparison table of amended provisions, please refer to Attachment 5 on page 34 of the handbook.

III. Please discuss.

Resolution :

Proposal 3 : Amendment to the "Procedures for the Acquisition or Disposal of Assets." (Proposed by the board of directors)

Description : I. In line with the amendment to some provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," it is proposed to amend the "Procedures for the Acquisition and Disposal of Assets" of the Company.

II. For the Comparison table of amended provisions, please refer to Attachment 6 on page 35-42 of the handbook.

III. Please discuss.

Resolution :

Proposal 4 : Amendment to the "Rules of Procedures for Shareholders' Meetings." (Proposed by the board of directors)

Description : I. In line with the relevant regulations of the competent securities authorities, the relevant provisions for shareholders' meeting by video conferencing are amended and added As public companies can hold shareholders' meetings by video conferencing, in order to provide a convenient channel for shareholders to participate in shareholders' meetings, the Company intends to amend the "Rules of Procedure for Shareholders' Meetings."

II. For the comparison table of amended provisions, please refer to Attachment 7 on page 43-51 of the handbook.

III. Please discuss.

Resolution :

Proposal 5 : Amendment to the "Procedures for Election of Directors". (Proposed by the board of directors)

Description : I. In line with the provisions of the Company Act and the nomination system for the election of directors and the change of name, it is proposed to change the name of the Company's "Measures for Election of Directors" to "Procedures for Election of Directors."

II. For the comparison table of amended provisions, please refer to Attachment 8 on page 52-54 of the handbook.

III. Please discuss.

Resolution :

Extempore Motions

Adjournment

[Attachment 1]

Tainan Enterprises Co., Ltd.

Business Report

Ladies and Gentlemen:

It’s an unforgettable 60th anniversary for Tainan Enterprises Co., Ltd.!

Since Tainan Enterprises Co., Ltd. (hereinafter referred to as the “Company”) was incorporated in 1961, the Company has experienced two major fires at its factory in 1984 and 1985. However, the Company stood up again soon, no matter how difficult it was. After so many years, during the two years since 2019 when the COVID-19 broke out until 2021, the Company has had to deal with challenges that were no less critical than those in the past, including the global pandemic, factory lockdowns for the epidemic, upgrading to Level 3 epidemic alert in Taiwan and the blackout policy in China. The successive hardships led to the Company’s rebirth and it survived the crises once again. This epidemic prevention battle, which extended from Europe and the United States to Southeast Asia, alerted the Company from time to time, developing the Company’s multi-site strength and dispatching various orders to each factory for successful production.

Operating Performance and Results 2021

In terms of operating revenue and profitability, the Company’s annual consolidated operating revenue was NT$5.761 billion in 2021, a decline by 3.5% from that in 2020. The consolidated net losses after tax attributed to the parent company was NT$135 million. The epidemic continued in 2021 from 2020. In Europe and the USA, it transformed from a serious infection to stable order placement at the customer end. It also turned out that the epidemic was spreading in South East Asia. As a result, factories were forced to suspend or reduce production. Fortunately, the Company won support and understanding, as well as belief in the Company’s capacity from the customers. Upon discussion and agreement by both sides, the ordered goods could be shipped successfully. Meanwhile, in 2021, the Company was selected as one of the “6th Taiwan Mittelstand Enterprises” and also passed the Talent Quality Management System (TTQS) certification. The Company stood out among various major enterprises and received recognition from the government and professional entities.

Outlook 2022

In 2021, there was an issue that concerned all people, namely the Carbon Neutrality Plan. Given the global weather transformation and increasingly serious global warming, various countries have successively realized the importance of carbon reduction and demanded that every enterprise achieve the carbon-free target. This year, the Company is also starting to prepare for the in-factory carbon emission plan and training plan for all of its overseas factories, in an effort to make the garment industry become a low-carbon industry and also to make the world better.

1. Activate ESG to practice the carbon-reduction target

   Given the rising environmental protection awareness, CSR is no longer a pure report card for social responsibility. The future focuses include sustainability and, particularly, ESG, which is considered a very important indicator to assess an enterprise in terms of environmental protection, social responsibility and corporate governance. The Company knows the importance of such an indicator very well, and is planning steps and also developing toward carbon reduction as its orientation.

2. Growing major customers and transforming profitability of small orders

   When the customer base is getting more and more extensive and the trend tends to be only a few quantity for multiple models, the small order structure may raise the quotation and thereby increase the profit. In line with the trend, the Company is also transforming and making progress. In order to deal with the major customers, the Company applies its outstanding technology, refer commodities to customers voluntarily, create new impressions and business and improve the gross profit of orders. This performance comes from the strengths accumulated by the Company over the years.

3. Improve IT system and automate the production

   In order to prevent any defective products and cope with the wage increasing year by year, the Company controls the quality with the assistance from system automation, and helps make decisions rapidly using modern factories and the automation of ten major product lines of the Company and technologized investments and through the implementation of automation, intellectualization, AI-aided production, informatization, digitalization and the BI system.

4. Improve organization and recruitment of talents

   The access to critical talents is a target focused on by the Company. In 2021, the Company hired critical talents to provide the Company with new ideas and methods by which new strategies should be implemented. Meanwhile, the Company will create employees' identification, gather employees' team cohesiveness and identify critical talents through the internalized organizational training, in order to train middle-level and high-level management and successors for each department.

Although the Company's overall performance was less than what was expected in 2021, it is still a considerable growth from 2020. Although it is impossible to control the loss from the epidemic, the Company will adjust its thoughts in a timely manner and never feel discouraged to compete with itself. Each colleague insisted on performing his job duty during the epidemic. Thanks for all of the colleagues' contribution and dedication again. The recuperation in the past or two years allows the Company to have a chance to solidify its infrastructure and wait for the opportunity to turn around. The Company expects to return to the normal track to compete with others for the next year or the year after next year. The Company believes that 2022 should be a year for transformation and also be a bright year!

Chairman Yang Ching-Hon

General Manager Yang Shun-Hui

Accounting Officer Tsai Chen-Chih

Audit Committee's Audit Report

The Board Meeting prepared the Company's 2021 annual business report, parent company only and consolidated financial statements and earnings appropriation proposal. Among them, the parent company only and consolidated financial statements have been checked by PwC Taiwan and an audit report with unqualified opinion has been issued. Said business report, parent company only and consolidated financial statements and earnings appropriation proposal have been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it accordingly.

Tainan Enterprises Co., Ltd.

Convener of Audit Committee: Lien King-Biau

March 22, 2022

[Attachment 3]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Enterprises Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Tainan Enterprises Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other auditors (refer to Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements of the current period are stated as follows:

Cut-off of operating revenue from export sales

Description

Refer to Notes 4(28) and 6(19) for the accounting policy and the details of revenue. Exports sales comprise a significant portion of the Company's revenues, which are recognized base on the terms and the conditions of the transaction agreed with the customer. As the revenue recognition process involves manual process and judgements, there exists a risk of material misstatement that may arise from improper timing in revenue recognition for transactions that occur near the balance sheet date. Thus, we considered the cut-off of operating revenue from export sales a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policies on revenue recognition.
2. Confirmed the completeness of the sales revenue transaction details for the export sales in a certain period before or after the balance sheet date and performed cut-off tests on a sampling basis to inspect the supporting documents (including confirming transaction conditions, checking orders, shipping documents, export declarations and bills of lading, etc.) to ascertain whether sales revenue was recognized in the proper period.

Other matter –Report of other auditors

We did not audit the financial statements of certain investments accounted for under equity method that are included in the parent company only financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information disclosed relative to these investments, is based solely on the audit reports of other auditors. The balance of these investments accounted for under equity method amounted to $61,840 thousands and $48,832 thousands, both representing 1% of the related totals as of December 31, 2021 and 2020, and the share of profit or loss amounted to $13,811 thousands and $5,812 thousands, constituting (7%) and (1%) of the comprehensive income for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 22, 2022

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 independent auditors' report 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 212,173	4	$ 292,991	6
1136	Financial assets at amortized cost - current	6(3)	-	-	38,026	1
1150	Notes receivable, net	6(4)	380	-	378	-
1170	Accounts receivable, net	6(4) and 7	1,097,887	23	988,125	21
1200	Other receivables		2,183	-	5,623	-
1210	Other receivables - related parties	7	117,724	2	231,300	5
1220	Current income tax assets	6(26)	207	-	447	-
130X	Inventories	6(5)	745,330	16	441,495	9
1410	Prepayments	7	121,089	3	14,921	-
11XX	**Total current assets**		2,296,973	48	2,013,306	42
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	5(2) and 6(2)	86,954	2	87,084	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	639	-	476	-
1535	Financial assets at amortised cost - non-current	6(3)	30,230	1	30,421	1
1550	Investments accounted for under equity method	6(7) and 7	1,794,164	37	2,074,043	43
1600	Property, plant and equipment	6(8) and 8	385,909	8	390,816	8
1760	Investment property, net	6(10)	134,633	3	136,549	3
1780	Intangible assets	6(11)	15,731	-	19,761	-
1840	Deferred income tax assets	6(26)	46,701	1	44,100	1
1915	Prepayments for equipment	6(8)(11)	1,528	-	1,994	-
1920	Guarantee deposits paid		186	-	186	-
1990	Other non-current assets		9,924	-	10,436	-
15XX	**Total non-current assets**		2,506,599	52	2,795,866	58
1XXX	**Total assets**		$ 4,803,572	100	$ 4,809,172	100

(Continued)

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 8	$ 834,707	17	$ 488,280	10
2110	Short-term notes and bills payable	6(13)	149,972	3	174,938	4
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	218	-
2130	Contract liabilities - current	6(19)	7,474	-	8,035	-
2150	Notes payable		8,447	-	5,108	-
2170	Accounts payable		243,406	5	212,069	5
2180	Accounts payable - related parties	7	118,159	3	193,917	4
2200	Other payables		111,889	2	91,521	2
2220	Other payables - related parties	7	226,234	5	298,421	6
2310	Advance receipts		384	-	384	-
21XX	**Total current liabilities**		1,700,672	35	1,472,891	31
	Non-current liabilities					
2570	Deferred income tax liabilities	6(26)	39,742	1	39,742	1
2640	Net defined benefit liabilities - non-current	6(14)	9,073	-	16,209	-
2645	Guarantee deposits received		331	-	331	-
25XX	**Total non-current liabilities**		49,146	1	56,282	1
2XXX	**Total liabilities**		1,749,818	36	1,529,173	32
	Equity					
	Share capital					
3110	Common stock	6(15)	1,471,535	31	1,471,535	31
3200	Capital surplus	6(7)(16)	845,412	17	874,643	17
	Retained earnings	6(17)				
3310	Legal reserve		766,835	16	766,835	16
3320	Special reserve		162,805	3	63,280	1
3350	Unappropriated retained earnings		41,921	1	289,174	6
3400	Other equity interest	6(6)(7)(18)	(212,091)	(4)	(162,805)	(3)
3500	Treasury stocks	6(15)	(22,663)	-	(22,663)	-
3XXX	**Total equity**		3,053,754	64	3,279,999	68
	Contingent Liabilities and Commitments	9				
3X2X	**Total liabilities and equity**		$ 4,803,572	100	$ 4,809,172	100

The accompanying notes are an integral part of these parent company only financial statements.

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share data)

			Year ended December 31			
			2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	$ 5,599,470	100	$ 5,907,901	100
5000	Operating costs	6(5)(14)(24)(25) and 7	(5,100,360)	(91)	(5,514,472)	(93)
5900	Net operating margin		499,110	9	393,429	7
	Operating expenses	6(10)(11)(14)(24)(25), 7 and 12				
6100	Selling expenses		(183,973)	(4)	(160,383)	(3)
6200	General and administrative expenses		(206,324)	(4)	(199,392)	(4)
6300	Research and development expenses		(70,672)	(1)	(72,960)	(1)
6450	Expected credit losses		(7,044)	-	(124,052)	(2)
6000	Total operating expenses		(468,013)	(9)	(556,787)	(10)
6900	Operating profit (loss)		31,097	-	(163,358)	(3)
	Non-operating income and expenses					
7100	Interest income	6(3)(20) and 7	4,384	-	12,670	-
7010	Other income	6(9)(10)(21) and 7	10,346	-	14,219	-
7020	Other gains and losses	6(2)(3)(7)(22)(24) and 12	205	-	(96,944)	(1)
7050	Finance costs	6(23)	(6,208)	-	(16,116)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(178,105)	(3)	(135,592)	(2)
7000	Total non-operating income and expenses		(169,378)	(3)	(221,763)	(3)
7900	**Loss before income tax**		(138,281)	(3)	(385,121)	(6)
7950	Income tax benefit	6(26)	3,177	-	26,515	-
8200	**Loss for the year**		($ 135,104)	(3)	($ 358,606)	(6)
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial gains (losses) on defined benefit plan	6(14)	$ 3,927	-	($ 5,944)	-
8316	Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)(18)	163	-	(94)	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(7)	(16,376)	-	(1,406)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(26)	(786)	-	1,189	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)(18)	(48,852)	(1)	(95,669)	(2)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(18)	14	-	(160)	-
8300	**Total other comprehensive loss for the year**		($ 61,910)	(1)	($ 102,084)	(2)
8500	**Total comprehensive loss for the year**		($ 197,014)	(4)	($ 460,690)	(8)
	Loss per share (in dollars)	6(27)				
9750	Basic		($ 0.92)		($ 2.45)	
9850	Diluted		($ 0.92)		($ 2.45)	

The accompanying notes are an integral part of these parent company only financial statements.

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest			
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
Year ended December 31, 2020										
Balance at January 1, 2020		$ 1,471,535	$ 880,971	$ 758,787	$ 3,979	$ 790,765	($ 63,372)	$ 92	($ 22,663)	$ 3,820,094
Net loss for the year ended December 31, 2020		-	-	-	-	(358,606)	-	-	-	(358,606)
Other comprehensive loss for the year ended December 31, 2020	6(7)(18)	-	-	-	-	(2,559)	(95,829)	(3,696)	-	(102,084)
Total comprehensive loss for the year ended December 31, 2020		-	-	-	-	(361,165)	(95,829)	(3,696)	-	(460,690)
Distribution of 2019 net income:										
Legal reserve		-	-	8,048	-	(8,048)	-	-	-	-
Special reserve		-	-	-	59,301	(59,301)	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(73,077)	-	-	-	(73,077)
Adjustment for change in capital surplus of investee companies	6(7)(16)	-	(1,604)	-	-	-	-	-	-	(1,604)
Difference between the acquisition price and carrying amounts of subsidiaries	6(7)(16)	-	(4,724)	-	-	-	-	-	-	(4,724)
Balance at December 31, 2020		$ 1,471,535	$ 874,643	$ 766,835	$ 63,280	$ 289,174	($ 159,201)	($ 3,604)	($ 22,663)	$ 3,279,999
Year ended December 31, 2021										
Balance at January 1, 2021		$ 1,471,535	$ 874,643	$ 766,835	$ 63,280	$ 289,174	($ 159,201)	($ 3,604)	($ 22,663)	$ 3,279,999
Net loss for the year ended December 31, 2021		-	-	-	-	(135,104)	-	-	-	(135,104)
Other comprehensive loss for the year ended December 31, 2021	6(7)(18)	-	-	-	-	(12,624)	(48,838)	(448)	-	(61,910)
Total comprehensive loss for the year ended December 31, 2021		-	-	-	-	(147,728)	(48,838)	(448)	-	(197,014)
Distribution of 2020 net income:										
Special reserve		-	-	-	99,525	(99,525)	-	-	-	-
Cash distribution from capital surplus	6(16)	-	(29,231)	-	-	-	-	-	-	(29,231)
Balance at December 31, 2021		$ 1,471,535	$ 845,412	$ 766,835	$ 162,805	$ 41,921	($ 208,039)	($ 4,052)	($ 22,663)	$ 3,053,754

The accompanying notes are an integral part of these parent company only financial statements.

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 138,281)	($ 385,121)
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(22)	(218)	(9,805)
Loss on disposal of investments		-	1,016
Expected credit losses (including listed as “Other income”)	12	6,055	124,052
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	178,105	135,592
Impairment loss on investments accounted for under equity method	6(7)(22)	-	49,970
Depreciation	6(8)(10)(24)	12,814	12,510
Loss on disposal of property, plant and equipment	6(22)	105	192
Loss on disposal of investment property	6(22)	3	3
Amortisation	6(11)(24)	7,219	6,073
Dividend income	6(21)	-	(8)
Interest income	6(20)	(4,384)	(12,670)
Interest expense	6(23)	6,208	16,116
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2)	(335)
Accounts receivable		(115,817)	43,240
Other receivables		2,029	(2,593)
Other receivables - related parties		2,833	(3,973)
Inventories		(303,835)	98,853
Prepayments		(106,168)	2,799
Changes in operating liabilities			
Contract liabilities - current		(561)	6,867
Notes payable		3,339	(400)
Accounts payable		31,337	33,902
Accounts payable - related parties		(75,758)	(25,730)
Other payables		20,471	(10,647)
Other payables - related parties		(72,187)	(977)
Advance receipts		-	354
Net defined benefit liabilities - non-current		(3,209)	(5,232)
Cash (outflow) inflow generated from operations		(549,902)	74,048
Dividends received		-	72,138
Interest received		7,802	12,632
Interest paid		(5,985)	(17,395)
Income tax received		30	-
Income tax paid		-	(14,602)
Net cash flows (used in) from operating activities		(548,055)	126,821

(Continued)

TAINAN ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost		$ 38,217	$ 103,054
Decrease in other receivables - related parties		108,736	134,835
Return from capital reduction of financial assets at fair value through profit or loss	12	130	153
Acquisition of investments accounted for under equity method	6(7)	-	(52,500)
Return capital in advance from investments accounted for under equity method	6(7)	33,612	-
Proceeds from liquidation of investments accounted for under equity method	6(7)	2,948	-
Cash paid for acquisition of property, plant and equipment	6(28)	(4,397)	(8,992)
Cash paid for investment property	6(10)	-	(1,540)
Acquisition of intangible assets	6(11)	(3,189)	(4,565)
Increase in prepayments for equipment		(1,528)	(1,994)
Decrease in other non-current assets		512	64
Net cash flows from investing activities		175,041	168,515
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	774,707	438,280
Repayments of short-term borrowings	6(29)	(428,280)	(578,664)
Increase in short-term notes and bills payable	6(29)	-	175,000
Decrease in short-term notes and bills payable	6(29)	(25,000)	(100,000)
Decrease in guarantee deposit received	6(29)	-	(4)
Cash distribution from capital surplus	6(16)	(29,231)	-
Payment of cash dividends	6(17)	-	(73,077)
Net cash flows from (used in) financing activities		292,196	(138,465)
Net (decrease) increase in cash and cash equivalents		(80,818)	156,871
Cash and cash equivalents at beginning of year	6(1)	292,991	136,120
Cash and cash equivalents at end of year	6(1)	$ 212,173	$ 292,991

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Enterprises Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Tainan Enterprises Co., Ltd. and its subsidiaries (the "Group") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (refer to *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (R.O.C GAAS). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Cut-off of operating revenue from export sales

Description

Refer to Note 4(30) for accounting policies on operating revenue and Notes 6(22) and 14(6) for details of revenue. Exports sales comprise a significant portion of the Group's revenues, which are recognized base on the terms and the conditions of the transaction agreed with the customer. As the revenue recognition process involves manual process and judgements, there exists a risk of material misstatement that may arise from improper timing in revenue recognition for transactions that occur near the balance sheet date. Thus, we consider the cut-off of operating revenue from export sales a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policies on revenue recognition.
2. Confirmed the completeness of the sales revenue transaction details of the export sales for a certain period before or after the balance sheet date and performed cut-off tests on a sampling basis to inspect the supporting documents (including confirming transaction conditions, checking orders, shipping documents, export declarations and bills of lading, etc.) to ascertain whether sales revenue was recognized in the proper period.

Other matter – Reports of other auditors

We did not audit the financial statements of certain investments accounted for under equity method that are included in the consolidated financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and the information disclosed relative to these investments, is based solely on the audit reports of other auditors. The balance of these investments accounted for under equity method amounted to $61,840 thousands and $48,832 thousands, both representing 1% of the related totals as of December 31, 2021 and 2020, and share of profit or loss amounted to $13,811 thousands and $5,812 thousands, constituting (7%) and (1%) of the comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matter* section on the parent company only financial statements of Tainan Enterprises Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

	Tien, Chung-Yu
Independent Accountants	
	Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
March 22, 2022

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 independent auditors' report 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.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 681,095	13	$ 868,736	17
1136	Financial assets at amortized cost - current	6(3) and 11	39,730	1	38,026	1
1150	Notes receivable, net	6(4)	380	-	687	-
1170	Accounts receivable, net	6(4)	1,145,171	22	1,028,273	20
1200	Other receivables		71,751	1	91,195	2
1220	Current income tax assets	6(29)	215	-	457	-
130X	Inventories	6(5)	1,216,865	23	779,516	16
1410	Prepayments		127,627	3	119,867	2
11XX	**Total current assets**		3,282,834	63	2,926,757	58
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	5(2) and 6(2)	86,954	2	87,084	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	639	-	476	-
1535	Financial assets at amortised cost - non-current	6(3)	352,363	7	405,136	8
1550	Investments accounted for under equity method	6(7)(13)	71,235	1	95,291	2
1600	Property, plant and equipment	6(8), 7 and 8	1,040,175	20	1,098,836	22
1755	Right-of-use assets	6(9)	118,021	2	150,408	3
1760	Investment property, net	6(11)	134,633	3	136,549	3
1780	Intangible assets	6(12)(13)	15,893	-	20,364	-
1840	Deferred income tax assets	6(29)	76,626	2	74,146	1
1915	Prepayments for equipment	6(8)(12)	1,528	-	1,994	-
1920	Guarantee deposits paid		12,777	-	16,269	-
1990	Other non-current assets	6(8)	19,566	-	25,564	1
15XX	**Total non-current assets**		1,930,410	37	2,112,117	42
1XXX	**Total assets**		$ 5,213,244	100	$ 5,038,874	100

(Continued)

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(14) and 8	$ 975,185	19	$ 594,894	12
2110	Short-term notes and bills payable	6(15)	149,972	3	174,938	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	218	-
2130	Contract liabilities - current	6(21)	8,776	-	8,035	-
2150	Notes payable		13,154	-	8,038	-
2170	Accounts payable		347,395	7	326,624	7
2200	Other payables	6(16)	427,017	8	380,388	8
2230	Current income tax liabilities	6(29)	1,816	-	982	-
2280	Lease liabilities - current		23,874	-	22,966	-
2310	Advance receipts		581	-	384	-
21XX	**Total current liabilities**		1,947,770	37	1,517,467	30
	Non-current liabilities					
2570	Deferred income tax liabilities	6(29)	39,742	1	40,030	1
2580	Lease liabilities - non-current		61,124	1	85,782	2
2640	Net defined benefit liabilities - non-current	6(17)	103,151	2	107,487	2
2645	Guarantee deposits received		7,703	-	8,109	-
25XX	**Total non-current liabilities**		211,720	4	241,408	5
2XXX	**Total liabilities**		2,159,490	41	1,758,875	35
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(18)	1,471,535	28	1,471,535	29
3200	Capital surplus	6(19)(31)	845,412	16	874,643	17
	Retained earnings	6(20)				
3310	Legal reserve		766,835	15	766,835	15
3320	Special reserve		162,805	3	63,280	1
3350	Unappropriated retained earnings		41,921	1	289,174	6
3400	Other equity interest	6(6)(7)(21)	(212,091)	(4)	(162,805)	(3)
3500	Treasury stocks	6(18)	(22,663)	-	(22,663)	-
3XXX	**Total equity**		3,053,754	59	3,279,999	65
	Contingent liabilities and commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 5,213,244	100	$ 5,038,874	100

The accompanying notes are an integral part of these consolidated financial statements.

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share data)

	Items	Notes	2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
			Year ended December 31			
4000	Operating revenue	6(22) and 7	$ 5,761,476	100	$ 5,970,540	100
5000	Operating costs	6(5)(8)(9)(12)(16)(27)(28), 7 and 12	(4,985,268)	(87)	(5,299,588)	(89)
5900	Net operating margin		776,208	13	670,952	11
	Operating expenses	6(9)(11)(12)(17)(27)(28), 7 and 12				
6100	Selling expenses		(319,250)	(6)	(269,739)	(4)
6200	General and administrative expenses		(533,293)	(9)	(527,781)	(9)
6300	Research and development expenses		(73,251)	(1)	(77,373)	(1)
6450	Expected credit losses		(7,044)	-	(124,052)	(2)
6000	Total operating expenses		(932,838)	(16)	(998,945)	(16)
6900	Operating loss		(156,630)	(3)	(327,993)	(5)
	Non-operating income and expenses					
7100	Interest income	6(3)(23) and 7	23,611	1	37,828	1
7010	Other income	6(10)(11)(24) and 7	14,772	-	28,480	-
7020	Other gains and losses	6(2)(3)(7)(9)(13)(25)(27) and 12	(7,423)	-	(77,658)	(1)
7050	Finance costs	6(9)(26)	(12,439)	-	(24,182)	(1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	11,451	-	(17,220)	-
7000	Total non-operating income and expenses		29,972	1	(52,752)	(1)
7900	**Loss before income tax**		(126,658)	(2)	(380,745)	(6)
7950	Income tax (expense) benefit	6(29)	(8,446)	-	25,547	-
8200	**Loss for the year**		($ 135,104)	(2)	($ 355,198)	(6)

(Continued)

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share data)

			Year ended December 31			
			2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive loss					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial loss on defined benefit plans	6(17)	($ 16,778)	-	($ 3,343)	-
8316	Unrealized gains (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)(21)	163	-	(94)	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for under equity method - will not be reclassified to profit or loss	6(7)(21)	(227)	-	(3,477)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	3,770	-	659	-
	Components of other comprehensive loss that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(47,973)	(1)	(92,881)	(2)
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(21)	(865)	-	(2,995)	-
8300	**Total other comprehensive loss for the year**		($ 61,910)	(1)	($ 102,131)	(2)
8500	**Total comprehensive loss for the year**		($ 197,014)	(3)	($ 457,329)	(8)
	Loss attributable to:					
8610	Owners of the parent		($ 135,104)	(2)	($ 358,606)	(6)
8620	Non-controlling interest		-	-	3,408	-
			($ 135,104)	(2)	($ 355,198)	(6)
	Comprehensive loss attributable to:					
8710	Owners of the parent		($ 197,014)	(3)	($ 460,690)	(8)
8720	Non-controlling interest		-	-	3,361	-
			($ 197,014)	(3)	($ 457,329)	(8)
	Loss per share (in dollars)	6(30)				
9750	Basic		($ 0.92)		($ 2.45)	
9850	Diluted		($ 0.92)		($ 2.45)	

The accompanying notes are an integral part of these consolidated financial statements.

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
				Retained Earnings			Other Equity Interest					
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
For the year ended December 31, 2020												
Balance at January 1, 2020		$ 1,471,535	$ 880,971	$ 758,787	$ 3,979	$ 790,765	($ 63,372)	$ 92	($ 22,663)	$ 3,820,094	($ 3,701)	$ 3,816,393
Loss for the year ended December 31, 2020		-	-	-	-	(358,606)	-	-	-	(358,606)	3,408	(355,198)
Other comprehensive loss for the year ended December 31, 2020	6(21)	-	-	-	-	(2,559)	(95,829)	(3,696)	-	(102,084)	(47)	(102,131)
Total comprehensive loss for the year ended December 31, 2020		-	-	-	-	(361,165)	(95,829)	(3,696)	-	(460,690)	3,361	(457,329)
Compensation cost of employee stock options		-	5	-	-	-	-	-	-	5	-	5
Distribution of 2019 net income:												
Legal reserve		-	-	8,048	-	(8,048)	-	-	-	-	-	-
Special reserve		-	-	-	59,301	(59,301)	-	-	-	-	-	-
Cash dividends	6(20)	-	-	-	-	(73,077)	-	-	-	(73,077)	-	(73,077)
Adjustment for change in capital surplus of investee companies		-	(1,609)	-	-	-	-	-	-	(1,609)	-	(1,609)
Difference between the acquisition price and carrying amounts of subsidiaries		-	(4,724)	-	-	-	-	-	-	(4,724)	-	(4,724)
Non-controlling interest		-	-	-	-	-	-	-	-	-	340	340
Balance at December 31, 2020		$ 1,471,535	$ 874,643	$ 766,835	$ 63,280	$ 289,174	($ 159,201)	($ 3,604)	($ 22,663)	$ 3,279,999	$ -	$ 3,279,999
For the year ended December 31, 2021												
Balance at January 1, 2021		$ 1,471,535	$ 874,643	$ 766,835	$ 63,280	$ 289,174	($ 159,201)	($ 3,604)	($ 22,663)	$ 3,279,999	$ -	$ 3,279,999
Loss for the year ended December 31, 2021		-	-	-	-	(135,104)	-	-	-	(135,104)	-	(135,104)
Other comprehensive loss for the year ended December 31, 2021	6(21)	-	-	-	-	(12,624)	(48,838)	(448)	-	(61,910)	-	(61,910)
Total comprehensive loss for the year ended December 31, 2021		-	-	-	-	(147,728)	(48,838)	(448)	-	(197,014)	-	(197,014)
Distribution of 2020 net income:												
Special reserve		-	-	-	99,525	(99,525)	-	-	-	-	-	-
Cash distribution from capital surplus	6(19)	-	(29,231)	-	-	-	-	-	-	(29,231)	-	(29,231)
Balance at December 31, 2021		$ 1,471,535	$ 845,412	$ 766,835	$ 162,805	$ 41,921	($ 208,039)	($ 4,052)	($ 22,663)	$ 3,053,754	$ -	$ 3,053,754

The accompanying notes are an integral part of these consolidated financial statements.

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 126,658)	($ 380,745)
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through profit or loss	6(25)	(218)	(9,805)
Loss on disposal of investments	6(3)	-	3,500
Expected credit losses (including listed as “Other income”)	12	6,055	124,052
Gain on disposal of non-current assets held for sale	6(25)	-	(34,076)
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(7)	(11,451)	17,220
Impairment loss on investments accounted for under equity method	6(7)(13)(25)	-	49,970
Depreciation	6(8)(9)(11)(27)	129,993	136,543
(Gain) loss on disposal of property, plant and equipment	6(25)	(1,106)	538
Income from reversion of land entrusted to others’ name	6(8)(32)	-	(11,053)
Property, plant and equipment transferred to expense	6(8)(32)	64	-
Loss from lease modification	6(9)(25)	-	14
Loss on disposal of investment property	6(25)	3	3
Amortisation	6(12)(27)	7,657	8,245
Prepayment for equipment transferred to expense	6(32)	-	40
Compensation cost of employee stock options	6(19)	-	5
Dividend income	6(24)	-	(8)
Interest income	6(23)	(23,611)	(37,828)
Interest expense	6(26)	12,439	24,182
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		307	2,188
Accounts receivable		(122,953)	4,534
Other receivables		4,794	(11,036)
Inventories		(437,349)	259,073
Prepayments		(7,760)	70,915
Changes in operating liabilities			
Contract liabilities - current		741	6,867
Notes payable		5,116	(2,780)
Accounts payable		20,771	35,679
Other payables		41,404	(87,802)
Advance receipts		197	157
Net defined benefit liabilities - non-current		(17,349)	3,384
Cash (outflow) inflow generated from operations		(518,914)	171,976
Dividends received		803	8
Interest received		24,598	45,762
Interest paid		(12,237)	(25,309)
Income tax received		30	-
Income tax paid		(6,948)	(23,478)
Net cash flows (used in) from operating activities		(512,668)	168,959

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost		$ 42,364	$ 504,675
Decrease in other reveivables		13,549	11,279
Decrease in other receivables - related parties		-	17,221
Proceeds from capital reduction of financial assets at fair value through profit of loss	12	130	153
Proceeds from disposal of non-current assets held for sale		-	35,205
Return of capital in advance from investments accounted for under equity method	6(7)	33,612	-
Cash paid for acquisition of property plant and equipment	6(32)	(56,187)	(57,569)
Proceeds from disposal of property, plant and equipment		2,227	1,288
Cash paid for acquisition of investment property	6(11)	-	(1,540)
Acquisition of intangible assets	6(12)	(3,189)	(4,686)
Increase in prepayments for equipment		(1,528)	(1,994)
Decrease (increase) in guarantee deposits paid		3,492	(2,045)
Decrease in other non-current assets		6,395	2,844
Net cash flows from investing activities		40,865	504,831
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(33)	885,185	497,394
Repayments of short-term borrowings	6(33)	(504,246)	(771,596)
Increase in short-term notes and bills payable	6(33)	-	175,000
Decrease in short-term notes and bills payable	6(33)	(25,000)	(100,000)
Payments of lease liabilities	6(33)	(23,201)	(24,900)
Decrease in guarantee deposit received	6(33)	(406)	(532)
Cash distribution from capital surplus	6(19)	(29,231)	-
Payment of cash dividends	6(20)	-	(73,077)
Transactions with non-controlling interest	6(31)	-	(6,000)
Net cash flows from (used in) financing activities		303,101	(303,711)
Effect of foreign exchange rate changes on cash		(18,939)	(26,128)
Net (decrease) increase in cash and cash equivalents		(187,641)	343,951
Cash and cash equivalents at beginning of year	6(1)	868,736	524,785
Cash and cash equivalents at end of year	6(1)	$ 681,095	$ 868,736

The accompanying notes are an integral part of these consolidated financial statements.

[Attachment 4]

Tainan Enterprises Co., Ltd.

Table of Earnings Distribution

2021

Unit: NT$

Item	Amount		Remarks
Current net profit		(135,103,668)	
Less: provision of legal reserve (10% of net profit after tax)		0	
Less: special reserve		(41,918,879)	
Less: current other comprehensive income (defined benefit plan)		(12,623,499)	
Current distributable amount (undistributed earnings after adjustment)		(189,646,046)	
Accumulated undistributed earnings from last year	189,646,046		
Accumulated undistributed earnings from last year		(189,646,046)	
Accumulated distributable earnings		0	
Ending undistributed earnings		0	

Remarks: Pursuant to Article 31-1 of the Articles of Incorporation, if there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying taxes and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital and the remainder shall be set aside or reversed as special reserve in accordance with the law; if there is any remaining balance, it shall be set aside as distributable earnings for the current period. The Company's dividends policy is to distribute dividends to shareholders in an amount not less than 30% of the distributable earnings for the period in accordance with the Company's current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders are taken into account. The distribution of dividends to shareholders may be made in cash or in stock, with the percentage of cash dividends being no less than 10% of the total dividends.

Chairman: Yang Ching-Hon

General Manager: Yang Shun-Hui

Accounting Officer: Tsai Chen-Chih

Tainan Enterprises Co., Ltd.

Comparison of Amendments to the Articles of Incorporation

Provisions before amendment	Provisions after amendment	Description
Article 15 The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.	Article 15 Deleted	Added pursuant to Article 172-2 of the Company Act
Article 16 Unless the Company Act provides otherwise, the resolutions of shareholders' meetings shall be adopted in the meetings attended by the majority of the total issued shares, with the approval of the majority of the attending voting rights. Pursuant to the competent authority's regulations, the Company's shareholders may exercise their voting rights electronically; the shareholders exercising voting rights electronically are deemed to be attendance in person. The related matters shall comply with laws and regulations. Unless the Company Act specifies otherwise, a shareholder shall have one voting power with respect to each share in his/her/its possession.	Article 16 Unless the Company Act provides otherwise, the resolutions of shareholders' meetings shall be adopted in the meetings attended by the majority of the total issued shares, with the approval of the majority of the attending voting rights.	Amended pursuant to Article 177-1 and 179 of the Company Act
Article 35 The Articles of Incorporation was established on May 7, 1960; the 1st amendment was made on July 20, 1960; the 2nd......; the 40th amendment was made on June 28, 2018; the 42nd amendment was made on June 15, 2020; **the 43rd amendment was made on June 20, 2022.**	Article 35 The Articles of Incorporation were established on May 7, 1960; the 1st amendment was made on July 20, 1960; the 2nd......; the 40th amendment was made on June 28, 2018; the 42nd amendment was made on June 15, 2020.	Adding dates of the amendments to the Articles of Incorporation.

Tainan Enterprises Co., Ltd.

Comparison of Amendments to Operating Procedures for the Acquisition or Disposal of Assets

Provisions before amendment	Provisions after amendment	Description
Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence or since a pardon was received. II. May not be a related party or *de facto* related party of any party to the transaction. III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or *de facto* related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions: I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When conducting~~examining~~ a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers. III. They shall undertake an item-by-item evaluation of	Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions: I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers.	Amended to cope with the amendment to Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Provisions before amendment	Provisions after amendment	Description
the appropriateness~~comprehensiveness, accuracy~~ and reasonableness of the sources of data used, the parameters and the information, as the basis for the issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is appropriate and reasonable ~~and accurate~~, and that they have complied with applicable laws and regulations.	III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy and reasonableness of the sources of data used, the parameters and the information, as the basis for issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.	
Article 7: Operating procedures for the acquisitions and disposals of property, equipment and right-of-use asset thereof I. (Not amended) II. (Not amended) III. (Not amended) IV. Appraisal reports of property, equipment and right-of-use asset thereof In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (please refer to Attachment 1 for the matters to be specified in the appraisal report) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. I. (Not amended) II. (Not amended) (III) Where any one of the following circumstances applies with respect to the professional	Article 7: Operating procedures for the acquisitions and disposals of property, equipment and right-of-use asset thereof I. (Omitted) II. (Omitted) III. (Omitted) IV. Appraisal reports of property, equipment and right-of-use asset thereof In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (please refer to Attachment 1 for the matters to be specified in the appraisal report) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. (I) (Omitted)	Amended to cope with the amendment to Article 9 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Provisions before amendment	Provisions after amendment	Description
appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to ~~perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and~~ render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 1. The discrepancy between the appraisal results and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. (IV) (Not amended) (V) (Not amended)	(II) (Omitted) (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 1. The discrepancy between the appraisal results and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. (IV) (Omitted) (V) (Omitted)	
Article 8: Operational procedures for the acquisitions and disposals of securities I. (Not amended) II. Determination procedures for transaction conditions and authorized limits (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or more, the Company shall additionally engage a	Article 8: Operational procedures for the acquisitions and disposals of securities I. (Omitted) II. Determination procedures for transaction conditions and authorized limits (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT$300 million or	Amended to cope with the amendment to Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Provisions before amendment	Provisions after amendment	Description
certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price~~. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.~~ The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The approvals of officers at each level pursuant to the "Table for Approval Authority in Management" shall be obtained before executions. In case of any items not in the "Table for Approval Authority in Management," with amount of more than NT$50 million or 20% of the paid-in capital, the approval of the Board Meeting shall also be obtained. II. (Not amended) III. (Not amended) IV. (Not amended)	more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The approvals of officers at each level pursuant to the "Table for Approval Authority in Management" shall be obtained before executions. In case of any items not in the "Table for Approval Authority in Management," with amount of more than NT$50 million or 20% of the paid-in capital, the approval of the Board Meeting shall also be obtained. (II) (Omitted) III. (Omitted) IV. (Omitted)	
Article 9: Operating Procedures for the acquisitions of assets from related parties I. (Not amended) II. Evaluation and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20	Article 9: Operating Procedures for the acquisitions of assets from related parties I. (Omitted) II. Evaluation and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction	Amended to cope with the amendment to Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public

Provisions before amendment	Provisions after amendment	Description
percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board Meeting and recognized by the supervisors: (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (II) The reason for choosing the related party as a transaction counterparty. (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (I) and (IV), Paragraph 3 of the article. (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty and that transaction counterparty's relationship to the company and the related party. (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. (VII) Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board Meeting may delegate the Chairman to decide such matters when the transaction is within a certain amount and have	amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board Meeting and recognized by the supervisors: (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (II) The reason for choosing the related party as a transaction counterparty. (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (I) and (IV), Paragraph 3 of the article. (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty and that transaction counterparty's relationship to the company and the related party. (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract and evaluation of the necessity of the transaction and reasonableness of the funds utilization. (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. (VII) Restrictive covenants and other important stipulations associated with the transaction. The calculation of all the transaction amounts referred to in the paragraph the preceding paragraph shall be made in accordance with	Companies”

Provisions before amendment	Provisions after amendment	Description
the decisions subsequently submitted to and ratified by the next Board Meeting: (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (II) Acquisition or disposal of real property right-of-use assets held for business use. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board Meeting pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established by the Company, the matters shall be approved by one-half or more of all audit committee members and then submitted to the Board Meeting for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors and the resolution of the audit committee shall be recorded in the minutes of the Board Meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions. If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in the paragraph and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the sub-paragraphs of the paragraph to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries. The calculation of all the transaction amounts referred to in the paragraph ~~the preceding paragraph~~ shall be made in accordance with Subparagraph (VII), Paragraph 1 of Article 14 herein, and "within the preceding year" as used	Sub-paragraph (VII), Paragraph 1 of Article 14 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or Board Meeting and approved by the Audit Committee recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board Meeting may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board Meeting: (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (II) Acquisition or disposal of real property right-of-use assets held for business use. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the Board Meeting pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established by the Company, the matters shall be approved by one-half or more of all audit committee members and then submitted to the Board Meeting for a resolution. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors and the resolution of the audit committee shall be recorded in the minutes of the Board Meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual	

Provisions before amendment	Provisions after amendment	Description
herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors and approved by the Audit Committee ~~recognized by the supervisors~~ need not be counted toward the transaction amount. III. (Not amended)	number of persons currently holding those positions. III. (Omitted)	
Article 10: Operating procedures for the acquisitions and disposals of intangible assets or right-of-use assets thereof or memberships I. (Not amended) II. (Not amended) III. (Not amended) IV. Expert's appraisal report on intangible assets or right-of-use assets thereof, or membership Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price~~; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.~~ The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Article 10: Operating procedures for the acquisitions and disposals of intangible assets or right-of-use assets thereof or memberships I. (Omitted) II. (Omitted) III. (Omitted) IV. Expert's appraisal report on intangible assets or right-of-use assets thereof, or membership Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. The calculation of the transaction amounts shall be done pursuant to Sub-paragraph (VII), Paragraph 1, Article 14; Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	Amended to cope with the amendment to Article 11 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"
Article 14: Procedures for information disclosure I. Items to be publicly announced and reported and the criteria thereof (I) to (V) (Not amended) (VI) Where an asset transaction other than any of those referred to in the preceding five sub-paragraphs, a disposal of receivables by a financial institution or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT$300 million;	Article 14: Procedures for information disclosure I. Items to be publicly announced and reported and the criteria thereof (I) to (V) (Omitted) (VI) Where an asset transaction other than any of those referred to in the preceding five sub-paragraphs, a disposal of receivables by a financial institution or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or	Amended to cope with the amendment to Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

Provisions before amendment	Provisions after amendment	Description
provided, this shall not apply to the following circumstances: 1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan. 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (VII) (Not amended) (VIII) (Not amended) II to IV (Not amended)	NT$300 million; provided, this shall not apply to the following circumstances: 1. Trading of domestic government bonds 2. Where done by professional investors—securities trading on securities exchanges or OTC markets or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market or subscription or redemption of securities investment trust funds or futures trust funds or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (VII) (Omitted) (VIII) (Omitted) II to IV. (Omitted)	

[Attachment 7]

Tainan Enterprises Co., Ltd.

Comparison of Amendments to Rules of Procedure for Shareholders' Meetings

Provisions before amendment	Provisions after amendment	Description
Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board Meeting. The method of convening shareholders' meetings, if changed, shall be resolved by the Board Meeting, and not later than sending the shareholders' meeting notice. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors or supervisors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. However, in the case of the Company with paid-in capital reaching NT$10 billion or more as of the last day of the most recent fiscal year or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' registry at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file 30 days prior to the day on which the regular shareholders' meeting is to be held. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by the shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and ~~the~~ professional shareholders' services agent designated thereby as well as being ~~distributed on-site at the meeting place~~. ~~The Company~~ shall furnish to the shareholders for reference on the date of the shareholders' meeting in the following manner: 1. For the physical shareholders' meeting, such information shall be distributed at the site of the meeting. 2. For the video-assisted shareholders' meeting, such information shall be distributed at the site of the meeting, and transmitted to the video conference platform. 3. Where a shareholders' meeting is convened in the manner of a video conference, such information shall be transmitted to the video conference platform as the electronic files. Paragraph 3 is not amended. Elections or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application	Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board Meeting. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by the shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholders' services agent designated thereby as well as being distributed on-site at the meeting place. Paragraph 3 is omitted. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of	Amended to cope with Tai-Zheng-Ji-Li-Zhi No. 1100001446, dated January 28, 2021 and Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.

Provisions before amendment	Provisions after amendment	Description
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, the dissolution, merger, or demerger of the corporation or any matter under related laws and regulation and the Company's Articles of Incorporation that shall be set out and the essential contents explained in~~in the notice~~ of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an *extempore* motion. ~~The major content may be uploaded to the website designated by the securities competent authority of the Company and specify the link in the notice.~~ No amendment is made since Paragraph 5.	new shares, reserve distributed in the form of new shares, the dissolution, merger or demerger of the corporation or any matter under related laws and regulations and the Company's Articles of Incorporation that shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an *extempore* motion. Omitted since Paragraph 5.	
Article 4 Paragraph 1 to 3 are not amended After a proxy form has been delivered to the Company, if the shareholder intends to attend in the manner of a video conference, a written notice of proxy cancellation should be submitted to the Company 2 days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.	Article 4 Paragraph 1 to 3 are omitted Added Paragraph 4	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 5 (Principles determining the time and place of a shareholders' meeting) The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. When the Company convenes the video shareholders' meetings, the restrictions of convention location in the preceding paragraph does not apply.	Article 5 The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 6 The Company shall specify the shareholders, proxy solicitors, proxy agents (hereinafter referred to as the "shareholders"), time and location for shareholder registration in the meeting notice as well as other matters requiring attention. Admission of meeting participants in the preceding paragraph shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel. The time during which shareholders' attendance registrations will be accepted at the video conference platform shall be at least 30 minutes prior to the time the meeting commences. The shareholders accepted are deemed to have	Article 6 The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.

Provisions before amendment	Provisions after amendment	Description
attended the shareholders' meeting in person. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. Shareholders~~ and their proxies (collectively hereinafter referred to as the "shareholders")~~ shall attend shareholders' meetings based on attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. Where the Company convenes the video shareholders' meetings and shareholders intend to attend in the manner of video conference shall register with the Company at least two days prior to the meeting date. Where the Company convenes the video shareholders' meetings, the Company shall upload the agenda handbook, annual reports and other related information to the video conference platform for the shareholders' meeting and retain the disclosure of such until the meeting ends.	When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. Shareholders and their proxies (collectively hereinafter referred to as the "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.	
Article 6-1 Where the Company convenes the video shareholders' meetings, the meeting notice shall specify the following matters: I. The method for shareholders to attend the video conference and exercise of their rights. II. The handling method when the video conference platform or participation in the manner of video conference fails due to *force majeure*, such as natural disasters or incidents and the following shall be at least included: (I) Time and date for the postponement or re-convention when the aforesaid continuous failure that cannot be eliminated and thus a postponement or re-convention is required. (II) The shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting. (III) Where the Company convenes the video-assisted shareholders' meetings and when the video meeting is discontinued, if the total attending shares still meet		Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.

Provisions before amendment	Provisions after amendment	Description
the statutory quorum for the shareholders' meeting commencement after deducting these shares held by the shares attending the meeting via video conferencing, the meeting shall continue; the shares held by the shares attending the meeting via video conferencing shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting. (IV) The handling method where the results of all proposals are announced but the *extempore* motions are not proceeded. III. Where the Company convenes the video shareholders' meetings, the proper alternatives provided for the shareholders having difficulties attending in the manner of a video conference shall be specified.		
Article 8 Paragraph 1 is not amended Where the Company convenes the video shareholders' meetings, the Company shall record and retain the records of the registration, enrollment, acceptance, inquiries, voting and the results of vote calculation and continuously record the video conference thoroughly, both audio and video. The records and audio- and video recordings in the preceding paragraphs shall be properly retained during the Company's survival period and the audio-and video recordings are provided to the organizer of the video conference for custody.	Article 8 Paragraph 1 is omitted.	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, shares registered at the video conference platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. Where the Company convenes the video shareholders' meetings, the Company shall announce the meeting adjournment at the video conference platform.	Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares,	Amended to cope with Tai-Zheng-Ji-Li-Zhi No. 1100001446, dated January 28, 2021

Provisions before amendment	Provisions after amendment	Description
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. Where the Company convenes the video shareholders' meetings and shareholders intend to attend in the manner of video conference shall register again with the Company per Article 6. No amendment is made hereafter.	the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. Omitted hereafter .	
Article 11 Paragraph 1 to 3 are not amended shareholders' meetings, the shareholders attending in the manner of video conference may inquire with text at the video conference platform of the meeting since the chair announces the meeting commencement until the adjournment. No more than two inquiries shall be raised for each proposal and the maximum length is 200 words. Paragraphs 1 to 3 are not applicable. Where the inquiries in the preceding paragraph not violating the requirements or within the scope of agenda, it is advisable to disclose the inquiries at the video conference platform of the meeting for public knowledge.	Article 11 Paragraph 1 to 3 are omitted	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 13 Paragraph 1 to 3 are not amended After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or in the manner of video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder intends to exercise his/her voting rights by correspondence or electronically but appoints a proxy to attend the meeting by providing the proxy form, the votes cast at the meeting by the proxy shall prevail. Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the	Article 13 Paragraph 1 to 3 are omitted After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder intends to exercise his/her voting rights by correspondence or electronically but	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.

Provisions before amendment	Provisions after amendment	Description
voting rights represented by the attending shareholders. During the voting process, the chair or the designated personnel announce the total number of the eligible voting rights of the attending shareholders case by case and then carry out the voting. On the same day of the meeting, the number of agree, disagree and abstain are entered into the Market Observation Post System. Paragraph 6-8 are not amended. Where the Company convenes the video shareholders' meetings, the shareholders attending in the manner of a video conferencing shall vote via the video conference platform on each proposal and election after the Chairman declares the meeting's commencement. Such voting shall be completed before the Chairman declares the end of voting; anyone who misses the deadline is deemed to have abstained. Where the Company convenes the video shareholders' meetings, the votes shall be calculated at once upon the end of voting declared by the chair and announce the results of the voting or elections. Where the Company convenes the video-assisted shareholders' meetings, the shareholders who already have registered to attend the meeting in the manner of video conference pursuant to the regulations, but then intend to attend the off-line shareholders' meeting in person, shall withdraw the registration in the same manner of registration two days prior to the shareholders' meeting date; these who miss the deadline may only attend the shareholders' meeting in the manner of a video conference. These who exercise the vote in the manner of writing or electronic method, without withdrawing their expressions of intents, and attending the meeting in the manner of a video conference, other than the *extempore* motions, must not exercise the votes to the original proposal, propose any amendments to the original proposal or exercise the votes to the amendment to the original proposal, other than *extempore* motions.	appoints a proxy to attend the meeting by providing the proxy form, the votes cast at the meeting by the proxy shall prevail. Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Paragraph 6-8 are omitted.	
Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected and the names of directors and supervisors not elected and number of votes they received. The ballots for the elections referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189	Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation and the voting results shall be announced on-site immediately The ballots for the elections referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a	Amended to cope with Tai-Zheng-Ji-Li-Zhi No. 1100001446, dated January 28, 2021

Provisions before amendment	Provisions after amendment	Description
of the Company Act, the ballots shall be retained until the conclusion of the litigation.	shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	
Article 15 Paragraph 1 to 3 are not amended Where the Company convenes the video shareholders' meetings, other than the matters to be recorded as required in the preceding paragraph, the starting and ending time of the shareholders' meeting, convention method of the meeting, names of the chair and record-keeper and the handling method when the video conference platform or participation in the manner of video conference fails due to disasters, incidents or other *force majeure* and the handling status shall be specified. Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties to attend in the manner of a video conference.	Article 15 Paragraph 1 to 3 are omitted	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, ~~and~~ the shares attending by correspondence or electronically, and shall make an express disclosure of the same at the place of the shareholders meeting. The Company shall upload the aforesaid information to the video conference platform for the shareholders' meeting, at least 30 minutes prior to the meeting and retain the disclosure of such until the meeting ends. Where the Company convenes the video shareholders' meetings, the total shares held by the shareholders attending the meeting shall be disclosed at the video conference platform. If the total shares and voting rights of the attending shareholders are counted during the meeting, the same applies. No amendment is made hereafter.	Article 16 The number of shares owned by the solicitors and the entrusted proxies is compiled into a chart with a prescribed format on the meeting day and is disclosed clearly at the meeting venue. Omitted hereafter .	Amended to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 19 Where the shareholders' meetings are convened in the manner of video conference, the Company shall disclose the voting results of each proposal and election results at the video conference platform for the shareholders' meeting and retain the disclosure at least 15 minutes after the chair declares adjournment.		Added to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 20 When the Company convenes the video shareholders'		Added to cope with

Provisions before amendment	Provisions after amendment	Description
meetings, the chair and the record-keeper shall be at the same location within Taiwan. The chair shall announce the address of this location.		Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 21 Where the shareholders' meeting is convened in the manner of video conference, the Company may provide the shareholders with a simple connection test and the related services before and during the meeting in real-time, to help to handle technical problems of communications. Where the shareholders' meeting is convened in the manner of video conference, the chair, when declaring the meeting commencement, shall also declare the events not requiring postponement or re-convention specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; before the chair declares the adjournment, in the event where the video conference platform or the participation in the video conference fails for 30 minutes or more due to nature disasters, incidents or other *force majeure*, the date of the shareholders' meeting postponed to or re-convened shall be within five days and Article 182 of the Company Act shall not apply. Where the meeting is to be postponed or re-convened as specified in the preceding paragraph, the shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting. For the meeting is to be postponed or re-convened as specified in Paragraph 2, the shareholders who registered to attend the original meeting via the video conference, and have completed the acceptance, but not attend the postponed or re-convened meeting, their attending shares at the original meeting, the exercised voting rights and election rights, shall be counted into the total shares, voting rights and election rights of the attending shareholders in the postponed or re-convened meeting. The postponement or re-convention of shareholders' meetings conducted per Paragraph 2 needs not again discuss and resolve the proposal that have completed voting and vote calculation, with the announcement of voting results, or the list of elected directors and supervisors. Where the Company convenes the video-assisted shareholders' meetings and when the video meeting is discontinued as specified in Paragraph 2 and the total attending shares still meet the statutory quorum for shareholders' meeting commencement, the postponement or re-convention of the meeting per Paragraph 2 is not required. Under the circumstances to continue the meeting as specified in		Added to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.

Provisions before amendment	Provisions after amendment	Description
the preceding paragraph, the shares held by the shares attending the meeting via video conference shall be included in the total shares of the attending shareholders, but deemed abstaining for all proposals in the concerned shareholders' meeting. Where the Company postpones or re-convenes any shareholders' meeting as specified in Paragraph 2, the pre-requisite operations shall be conducted based on the original shareholders' meeting date, and pursuant to Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholders' Services of Public Companies, the Company shall proceed on the date of the postponed or re-convened shareholders' meeting per Paragraph.		
Article 22 Where the Company convenes the video shareholders' meetings, other than complying with the preceding paragraph, the minutes shall also specify the alternatives for the shareholders having difficulties to attend in the manner of video conferencing.		Added to cope with Jin-Guan-Zheng-Jiao-Zhi No. 1110380914, dated March 4, 2022.
Article 23 The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.	Article 19 The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.	To cope with the provisions added, the article number is adjusted.

[Attachment 8]

Tainan Enterprises Co., Ltd.

Comparison of Amendments to Procedures for Election of Directors

Amendment to name	Current name	Description
Procedures for Election of Directors	Methods for Election of Directors	Name is amended to cope with the competent authority

Provisions before amendment	Provisions after amendment	Description
Article 3 The Company's directors shall be elected from among the shareholders with disposing capacity and based on the specified number of directors in the Articles of Incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially 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. The election of all ~~independent~~ directors adopts the candidate nomination system, for the shareholders'~~- meeting~~ to elect from the list of director candidates. Elections of independent and non-independent directors are held together, but elected numbers are counted separately. The elections and qualifications of the Company's independent directors, shall comply will the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The Company's election of directors shall, pursuant to Article 192-1 of the Company Act, adopt the candidate nomination system.	Article 3 The Company's directors shall be elected from among the shareholders with disposing capacity and based on the specified number of directors in the Articles of Incorporation, those receiving ballots representing the highest numbers of voting rights will be elected sequentially 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. The election of independent directors adopts the candidate nomination system, for the shareholders' meeting to elect from the list of director candidates. Elections of independent and non-independent director are held together, but elected numbers are counted separately. The elections and qualifications of the Company's independent directors, shall comply will the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	Amended and simplified the operational procedures to nominate directors to cope with the amendment to Article 192-1 of the Company Act
Article 4 ~~When preparing the ballots, the Board Meeting shall number the ballots based on the attendance card numbers and prepare separate ballots for directors in numbers corresponding to the directors to be elected. Each ballot specifies each shareholder's number of voting rights proportionally.~~	Article 4 When preparing the ballots, the Board Meeting shall number the ballots based on the attendance card numbers and prepare separate ballots for directors in numbers corresponding to the directors to be elected. Each ballot specifies each shareholder's number of voting rights	Amended the content to cope with Tai-Zheng-Ji-Li-Zhi No. 1090009468.

Provisions before amendment	Provisions after amendment	Description
The Board Meeting shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	proportionally.	
Article 7 Article deleted	Article 7 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	To cope with the FSC's regulation, the Company's director elections shall adopt the candidate nomination system since 2021 and shareholders shall elect from the list of director candidates. Before convening the shareholders' meeting, shareholders will know the information of the candidates.
Article 7 A ballot is invalid under any of the following circumstances: 1、 The ballot was not prepared by a person with the right to convene ~~the Board Meeting~~. 2、 A blank ballot is placed in the ballot box. 3、 The writing is unclear and indecipherable or has been altered. 4、 The candidate whose name is entered in the ballot is ~~a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholders' register or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number~~ list of director candidate do not match. 5. Other words or marks are entered in addition	Article 8 A ballot is invalid under any of the following circumstances: 1、 The ballot was not prepared by the Board Meeting 2、 A blank ballot is placed in the ballot box. 3、 The writing is unclear and indecipherable or has been altered. 4、 The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholders' registry or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number do not match. Other words or marks are entered in addition to	Amended to cope with the Company Act and the adoption of the candidate nomination system in director elections.

Provisions before amendment	Provisions after amendment	Description
to the ~~candidate's account name or shareholder account number (or identity card number)~~ and the number of voting rights allotted. ~~6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number (identity card number) is provided in the ballot to identify such individual.~~	the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number (identity card number) is provided in the ballot to identify such individual.	
Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site. The notifications shall be issued to the persons elected as directors after the meeting.	Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site. The notifications shall be issued to the persons elected as directors after the meeting.	Deleted to cope with Article 7 and adjusted the article number.
Article 9 For anything not mentioned in the Procedures, the Company Act, related laws and regulations and the Company's Articles of Incorporation shall be complied with.	Article 10 For anything not mentioned in the Procedures, the Company Act, related laws and regulations and the Company's Articles of Incorporation shall be complied with.	Deleted to cope with Article 7 and adjusted the article number.
Article 10 The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.	Article 11 The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.	Deleted to cope with Article 7 and adjusted the article number.

[Appendix 1]

Articles of Incorporation, Tainan Enterprises Co., Ltd.

Chapter I General Principles

Amended on June 15, 2020

Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is 臺南企業股份有限公司 in Chinese, and TAINAN ENTERPRISES CO., LTD in English.

Article 2 The Company operates the following business:

1. C306010 Wearing Apparel
2. C307010 Clothing Accessories
3. CJ01010 Hat Manufacturing
4. CK01010 Footwear Manufacturing
5. CL01010 Umbrella Manufacturing
6. CM01010 Case and Bag Manufacturing
7. CZ99020 Zipper and Button Manufacturing
8. C305010 Printing, Dyeing, and Finishing
9. C801120 Manufacture of Man-made Fibers
10. C805060 Plastic Leathers Products Manufacturing
11. I101110 Textile Industry Consultancy
12. F401010 International Trade
13. C301010 Yarn Spinning Mills
14. C302010 Weaving of Textiles
15. F113010 Wholesale of Machinery
16. H701010 Housing and Building Development and Rental
17. F111090 Wholesale of Building Materials
18. E604010 Machinery Installation
19. CB01010 Mechanical Equipment Manufacturing
20. C303010 Non-woven Fabrics Mills
21. CF01011 Medical Devices Manufacturing
22. F108031 Wholesale of Medical Devices
23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 When the Company offers guarantees (endorsement included) to third-parties, the Company's "Procedures for Making of Endorsements/Guarantees" shall be complied with.

Article 3 The Company locates in Tainan City; if necessary, branches may be set up in other locations upon the resolutions of the Board Meeting.

Article 4 The Company's announcement are made in the manners specified in Article 28 of the Company Act.

Chapter II Shares

Article 5 The Company's authorized total capital is Two Billion New Taiwan Dollars and divided into Two Hundred Million shares, at a par value of Ten New Taiwan Dollars, and the Board Meeting is authorized to issue shares in batches. Of which, One Million New Taiwan Dollars, divided into Ten Million shares a par value of Ten New Taiwan Dollars, are reserved for issuing employee share subscription warrants.

Article 6 The issued Company's shares are exempted from printing hardcopies; however, the registration shall be made to the collective securities custody enterprises.

Article 7 The shareholder services, including transferring shares; setting up rights and pledges; reporting loss, inheritance, gifting; reporting loss or changing seals; or changing address by any shareholders, otherwise specified by the laws and regulations of securities, the " Regulations Governing the Administration of Shareholder Services of Public Companies" shall be complied with.

Article 8 Deleted

Article 9 Deleted

Article 10 Deleted

Article 11 The book is closed from 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter III Shareholders' Meetings

Article 12 Shareholders' meetings are divided as regular and special shareholders' meeting. The regular shareholders' meetings are convened within six months after close of each fiscal year and the shareholders shall be notified 30 days prior to the convening date; special shareholders' meetings are convened when required pursuant to the laws and the shareholders shall be notified 15 days prior to the convening date. The notice in the preceding paragraph shall specify the meeting date, venue and cause of convention. A shareholders' meeting shall, unless otherwise provided for in this Act, be convened by the Board Meeting.

Article 13 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. The Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority shall be complied with.

Article 14 If a shareholders' meeting is convened by the Board Meeting, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, one of the directors shall select from among themselves one person to serve as chair. When the meeting is convened by a person with the right of convening, the person serves as the chair; if two or more people have the right of convening, elect one of them shall serve as the chair.

Article 15 Deleted

Article 16 Unless the Company Act provides otherwise, the resolutions of shareholders' meetings shall be adopted in the meetings attended by the majority of the total issued shares, with the approval of the majority of the attending voting rights.

Article 17 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes in the preceding paragraph may be distributed in the manner of announcement. The meeting minutes shall record the key points of the process of agenda and the results and retained in the Company with the attendance book and proxies.

Chapter IV Directors and the Audit Committee

Article 18 The board of directors of the Company consists of seven to eleven directors; and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of office is three years, and may be re-elected

Among the directors, at least three of seats, and one-fifth of them are the independent directors. The candidates nomination system is adopted for electing all directors, and elected from the list of director candidates by shareholders. The nomination method complies with Article 192-1 of the Company Act.

The Company may obtain directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 18-1

The Company establishes the Audit committee pursuant to Article 14-4 of the Securities and Exchange Act.

The provisions pertinent to supervisors in the Securities and Exchange Act, Company Act and other laws are applied to the Audit committee mutatis mutandis.

The Audit Committee shall be consisted by all independent directors. The number, term of offices and power of the Audit Committee members and the rules of procedures for the meetings, shall comply with the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 20 The directors form the Board Meeting and the Chairman is elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. TheChairman of the Board Meeting shall internally preside the shareholders' meeting and the meeting of the board of directors and shall externally represent the Company. A vice chairman may be elected by the same means pursuant to the Articles of Incorporation. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause; where the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman.

Article 21 When the number of vacancies in the Board Meeting of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.

Article 22 Board Meeting are convened every three month; unless otherwise specified in the Company Act, board meetings are convened by the chairman and directors are informed with notice specifying causes of convention; however, in case of emergency, the meeting may be convened anytime. The notice for convening board meetings may be given by means of correspondence, fax or e-mail.

Article 23 Resolutions of the Board Meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director is unable to attend due to any reason, he/she may appoint another director to attend on his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

Article 24 Minutes shall be taken of the proceedings of the meeting of the Board Meeting, shall be affixed with the signature or seal of the chairman of the meeting, and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The meeting minutes shall record the key points of the process of agenda and the results, and retained in the Company with the attendance book and proxies.

Article 25 Deleted

Article 26 Deleted

Article 26-1 The Board Meeting is authorized to decide the remunerations to the directors based on the common level among peers.

Chapter V. Managerial Officer and Staff

Article 27 A company may have one or more managerial officers; the appointment, discharge, and remunerations shall comply with Article 29 of the Company Act

Article 28 Deleted

Article 29 A managerial officer shall be empowered to manage the operations of the company and to sign relevant business documents for the company, subject to the scope of his/her duties and power as specified in the Articles of Incorporation or his/her employment contract.

Chapter VI Settlement

Article 30 At the close of each fiscal year, the Board Meeting shall prepare the following statements and records and submit such 30 days prior to the meeting date of a regular shareholders’ meeting, pursuant to the statutory procedure, for the ratification in the regular shareholders’ meeting.

1. the business report
2. the financial statement
3. the surplus earning distribution or loss off-setting proposals

Article 31 The Company shall distribute the profit sharing remuneration to employees at a rate of not less than 1% of the Company's profit for the year and the profit sharing remuneration to directors at a rate of not more than 5% of the Company's profit for the year. However, if there is any accumulated loss, shall be offset first.

The employee remunerations may be made in cash or shares; employees of subsidiaries meeting certain specific requirements, entitled to receive the employee remunerations.

The current year's profit in paragraph 1 refers to the current year's income before tax and before the distribution of the remuneration to employees and directors.

By a resolution adopted by a majority vote at a Board Meeting attended by two-thirds of the total number of directors, the remunerations to employees and directors may be distributed and report to the shareholders’ meeting.

Article 31-1 If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital and the remainder shall be set aside or reversed as a special reserve in accordance with the law; if there is any remaining balance, it shall be set aside as distributable earnings for the current period. The accumulated undistributed earnings for the current period, together with the accumulated undistributed earnings of the previous year, is the accumulated distributable earnings. The Board Meeting shall prepare an earnings distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividends policy is to distribute dividends to shareholders in an amount not less than 30% of the distributable earnings for the period in accordance with the Company's current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders are taken into account. The distribution of dividends to shareholders may be made in cash or in stock, with the percentage of cash dividends being no less than 10% of the total dividends.

Chapter VII Supplementary Provisions

Article 32 The organizational charter and details of the Company are determined by the Board Meeting separately.

Article 33 The reinvestment amount of the Company complies with Article 13 of the Company Act, but is not subject to the limit of 40% of the paid-in capital.

Article 34 For anything not mentioned in the Articles of Incorporation, the Company Act and other laws and regulations shall be complied with.

Article 35 The Articles of Incorporation was established on May 7, 1960; the 1st amendment was made on July 20, 1960; the 2nd amendment was made on June 13, 1961; the 3rd amendment was made on October 1, 1961; the 4th amendment was made on January 12, 1964; the 5th amendment was made on March 19, 1967; the 6th amendment was made on July 12, 1969; the 7th amendment was made on December 22, 1972; the 8th amendment was made on June 29, 1981; the 9th amendment was made on April 23, 1982; the 10th amendment was made on May 14, 1984; the 11th amendment was made on October 9, 1985; the 12th amendment was made on June 25, 1986; the 13th amendment was made on September 29, 1988; the 14th amendment was made on August 11, 1989; the 15th amendment was made on July 25, 1990; the 16th amendment was made on May 18, 1991; the 17th amendment was made on August 16, 1991; the 18th amendment was made on February 10, 1992; the 19th amendment was made on September 2, 1992; the 20th amendment was made on December 14, 1993; the 21st amendment was made on February 14, 1994; the 22nd amendment was made on May 3, 1994; the 23rd amendment was made on June 28, 1996; the 24th amendment was made on June 23, 1997; the 25th amendment was made on December 24, 1997; the 26th amendment was made on April 18, 1998; the 27th amendment was made on May 21, 1999; the 28th amendment was made on May 12, 2000; the 29th amendment was made on April 27, 2001; the 30th amendment was made on May 3, 2002; the 31st amendment was made on May 23, 2003; the 32nd amendment was made on May 21, 2004; the 33rd amendment was made on June 9, 2006; the 34th amendment was made on June 19, 2009; the 35th amendment was made on June 18, 2010; the 36th amendment was made on June 10, 2011; the 37th amendment was made on June 28, 2012; the 38th amendment was made on March 31, 2016; the 39th amendment was made on June 26, 2017; the 40th amendment was made on June 28, 2018; the 41st amendment was made on June 24, 2019; the 42nd amendment was made on June 15, 2020.

Tainan Enterprises Co., Ltd.

Chairman: Yang Ching-Hon

[Appendix 2]

Tainan Enterprises Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Amended on June 15, 2020

I. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

II. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by the law, regulation or the Articles of Incorporation, shall be as provided in these Rules.

III. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board Meeting.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by the shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholders' services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger or demerger of the corporation or any matter under related laws and regulations and the Company's Articles of Incorporation that shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an *extempore* motion.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, the Board Meeting may still include the shareholder's proposal in the motion if its purpose is to urge the Company to promote the public interest or fulfill its social responsibility. In addition, any shareholder's proposal violating laws or the Company's Articles of Incorporation may be excluded from agenda by the Board Meeting.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board Meeting shall explain the reasons for exclusion of any shareholder's proposals not included in the agenda.

IV. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company 2 days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.

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

VI. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Shareholders and their proxies (collectively hereinafter referred to as the "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

VII. If a shareholders' meeting is convened by the Board Meeting, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

It is advisable that the majority of the board members attend the shareholders' meetings convened by the Board Meeting.

When the Board Meeting is convened by a person with right of convening, the person serves as the chair; if two or more people have right of convening, elect one from among them to serve as the chair.

The Company may appoint its attorneys, certified public accountants or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

VIII. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

IX. Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

X. If a shareholders' meeting is convened by the Board Meeting, the meeting agenda shall be set by the Board Meeting. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board Meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions 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, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violations.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

XII. Voting at shareholders’ meetings shall be calculated based on numbers of shares. With respect to resolutions of shareholders’ meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholders’ services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

XIII. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence; when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder intends to exercise his/her voting rights by correspondence or electronically but appoints a proxy to attend the meeting by providing the proxy form, the votes cast at the meeting by the proxy shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel 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 has been 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 made of the vote.

XIV. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation and the voting results shall be announced on-site immediately

The ballots for the elections referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

XV. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day and place of the meeting, the chair's full name, the methods by which resolutions were adopted and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

XVI. The number of shares owned by the solicitors and the entrusted proxies is compiled into a chart with a prescribed format on the meeting day and is disclosed clearly at the meeting venue.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under the Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

XVII. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

XVIII. 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 and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting 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 five days in accordance with Article 182 of the Company Act.

XIX. The Rules are implemented upon the approval of the shareholders' meetings; the same applies to the amendments.

[Appendix 3]

Shareholdings of directors:

1. As of the book closure date for the AGM, the issued shares are 147,153,534 shares and the paid-capital is NT$1,471,535,340.
2. Pursuant to Article 26 of the Securities and Exchange Act, and the provisions of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shares held by all the directors are 8,829,212 shares.
3. As of the book closure date for the AGM, April 22, 2022, the number of shares recorded in the shareholders' roster are as follows:

Title	Name	Number of shares recorded in the shareholders' roster at the book closure date.	Shareholdings %
Chairman of the Board	Yang Ching-Hon	0	0%
Director	Liandao Investment Co., Ltd.	6,159,821	4.19%
Director	Tainmei Investment Co., Ltd.	3,805,200	2.59%
Director	Rifu Investment Co., Ltd.	3,943,401	2.68%
Director	Jing Da Development Co., Ltd.	217,263	0.15%
Director	Shinwang Ai Investment Co., Ltd.	6,501,331	4.42%
Director	Chc International Investment Corporation.	9,521,000	6.47%
Director	Taiyang Investment Co., Ltd.	1,188,000	0.81%
Independent Director	Lien King-Biau	0	0%
Independent Director	Pai Chung-Lian	0	0%
Independent Director	Li Chih-Kuang	0	0%
Total shares held by all directors		**31,336,016**	**21.31%**