

Stock code: 9927

THYE MING INDUSTRIAL CO., LTD.

2022 Annual Shareholders' Meeting Handbook

Date : June 14, 2022

Location : No. 6, Juguang 3rd St, Daliao Dist., Kaohsiung City, Taiwan

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THYE MING INDUSTRIAL CO., LTD.

Procedure of the 2022 Annual Shareholders' Meeting

- I . Call Meeting to Order**
- II . Chairman's Address**
- III . Report Items**
- IV . Proposals for Acceptance and Approval**
- V . Proposals for Discussion**
- VI . Extemporaneous Motions**
- VII . Adjournment**

THYE MING INDUSTRIAL CO., LTD.

2022 Annual Shareholders' Meeting Agenda

Time: June 14, 2022 Tue. at 9 a.m.

Location: No. 6, Juguang 3rd St, Daliao Dist., Kaohsiung City, Taiwan

Procedure of Meeting:

1. Total shares represented by shareholders present in person or by proxy, Call Meeting to Order
2. Chairman's Address
3. Report Items:
 - (1) Business Report of 2021.
 - (2) Audit Committee's Review Report.
 - (3) Report the remuneration distribution of employees and directors of 2021.
 - (4) Report the distribution of surplus cash dividends for 2021.
 - (5) Report the amendments to the Corporate Governance Best Practice Principles.
4. Proposals for Acceptance and Approval
 - (1) Business Report and Financial Statements of 2021.
 - (2) Disposition of net income of 2021.
5. Proposals for Discussion
 - (1) Amendment to the Articles of Incorporation.
 - (2) Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
6. Extemporaneous Motions
7. Adjournment

Report Items

I. Business Report of 2021, for your honor's approval.

2021 Business Report, please refer to pages 8-10 of this manual.

II. Inspection Report of Audit Committee, for your honor's approval.

Inspection Report of Audit Committee, for details, please refer to page 11 of this manual.

III. Report the remuneration distribution of employees and directors of 2021.

Explanation:

- (1) According to Article 21 of Articles of Incorporation
- (2) On March 23, 2022, the board of directors of approved a resolution of NT\$11,609,755 for employees' remuneration and NT\$29,810,000 for directors' remuneration for the year of 2021. All of the amount will be paid in cash, and there is no difference between the annual amounts of accepted and approved expenses.

IV. Report the distribution of surplus cash dividends for 2021.

Explanation :

- (1) According to Article 21 of the Articles of Incorporation, the board of directors was authorized to present at least two-thirds of the directors, and more than half of the directors present to make a resolution to distribute all or part of the dividends and bonuses in cash, and report at the shareholders meeting.
- (2) For the proposal of disposition of net income of 2021, the board of directors decided to allocate a cash dividend of NT\$752,933,403, a cash dividend of NT\$4.5 per share, and set a date of payment for distribution.
- (3) The distribution of cash dividends shall be calculated based on the shareholder's shareholding ratio up to the whole dollar amount, and the total amount of odd amount less than NT dollar shall be adjusted according to the amount of odd amount received by each shareholder (for the same amount, it shall be according to the account number of shareholders sorted from front to back) until it complies the total number of odd amount.
- (4) Afterwards, if the number of shares outstanding is affected by the purchase of the shares of the Company, the transfer of treasury stocks, the conversion of convertible corporate bonds, the exercise of employee share subscription warrants, or other reasons, and therefore the distribution rate changes, the board of directors shall have the sole discretion to handle it.

V. Report the amendments to the "Corporate Governance Best Practice Principles".

Explanation :

In accordance with the amendment of laws and regulations and the business needs of the Company, the Board of Directors adopted the amendment of the Corporate Governance Best Practices on March 23, 2022. Please refer to page 31-45 for the comparison table of provisions before and after revision.

Proposals for Acceptance and Approval

Case 1 Proposed by the Board of Directors

Proposal: Business report and financial statements of 2021 was submitted for recognition.

Explanation:

1. The business report and financial statements for the year 2021 were prepared by the board of directors and submitted to the audit committee for review, wherein the financial statements were reviewed by independent auditors, Chiang, Jia-Ling and Guo, Li-Yuan from Deloitte & Touche, and an audit report was issued.
2. Please refer to pages 8-10 and 12-29 of this manual for the aforementioned business reports and financial statements.

Resolution:

Case 2 Proposed by the Board of Directors

Proposal: Disposition of net income of 2021 was submitted for recognition.

Explanation: Please refer to page 30 of this manual for the Disposition of net income of 2021.

Resolution:

Proposals for Discussion

Case 1 Proposed by the Board of Directors

Proposal: Amendment to the Articles of Incorporation. Please proceed to discuss.

Explanation: In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the Articles of Incorporation. Please refer to page 46 for details.

Resolution:

Case 2 Proposed by the Board of Directors

Proposal: Amendment to the Operational Procedures for Acquisition and Disposal of Assets. Please proceed to discuss.

Explanation: In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets. Please refer to page 47-55 for details.

Resolution:

Extemporary Motions

Adjournment

Business Report

Consolidated operating income in 2021 was NT\$8,842,529 thousand, an increase of 3.58% from that in 2020. The net profit before tax was NT\$1,044,067 thousand, an increase of 132.19% compared with that in 2020. The explanation of the business performance of 2021 is as follows:

1. Business Report of 2021

(1) Implementation results of business plan

Unit: Thousand NT\$

Item	2021	2020	Increased (decreased) change	
			Amount	%
Operating revenue	8,842,529	8,536,948	305,581	3.58
Operating cost	7,545,950	7,847,755	(301,805)	(3.85)
Gross profit	1,296,579	689,193	607,386	88.13
Total operating expenses	232,696	211,342	21,354	10.10
Profit from operations	1,063,883	477,851	586,032	122.64
Profit before income tax	1,044,067	449,651	594,416	132.19
Net profit for the year	787,960	354,015	433,945	122.58
Net profit attributable to the owners of the Company	785,791	351,574	434,217	123.51
Total comprehensive income for the year	1,398,337	325,540	1,072,797	329.54

(2) Budget Implementation Status of 2021

We are not required to publicize our financial forecasts for 2021.

(3) Financial situation of income and expenditure

Item	2021	2020
Net cash generated from operating activities	794,885	455,094
Net cash used in investing activities	26,069	(44,348)
Net cash used in financing activities	(996,744)	(447,622)
Net decrease in cash and cash equivalents	(181,402)	(56,662)
Cash and cash equivalents at the beginning of the year	958,453	1,015,115
Cash and cash equivalents at the end of the year	777,051	958,453

Compared with the previous period, the increase in net cash inflow from operating activities was mainly due to the increase in net income before income tax; the increase in cash outflow from financing activities was mainly due to the Company's cash reduction.

(4) Profitability

Items	2021	2020
Return on assets (%)	11.94	5.63
Return on equity (%)	14.08	6.73
Ratio of operating profit to paid-in capital (%)	63.58	22.85
Ratio of net profit before tax to paid-in capital (%)	62.40	21.50
Net profit rate (%)	8.91	4.15
Earnings per share (NT dollar)	4.00	1.68

(5) Research and development

At present, the research and development direction of the lead product market is still working on many aspects, such as reducing product costs, environmental protection and resource regeneration, increasing the performance of lead products, and technological development.

2. Summary of Business Plan for 2022

(1) Operating strategy:

We obtained ISO9002 quality assurance certification at the beginning of 1996, which helps us to improve technical standards and expand the market area. In 1997, we obtained ISO14001 environmental management system certification. We fulfilled our due responsibilities for the environment, so that we obtained ISO/TS16949 quality management system certification in March 2005. Our future business development strategy will still adhere to the spirit of Quality First, Service First. Besides maintaining the stable growth of our main business, we will continue to promote the goal of vertically integrated operations.

(2) Expected sales volume and its basis

1. Expected sales volume: Approximately 115,932 tons.
2. Basis: Factors such as industry supply and demand conditions and the trends of international lead price shall be the basis for estimation.

(3) Production and sales policy

1. Disperse the procurement area and objects, and develop the stability of new materials actively and reduce the cost of purchasing materials.
2. Collect and analyze the development trend of the lead product market, strengthen the development of domestic and foreign markets, and work on diversifying the source of customers.

3. Comply with customers' needs, provide customers with information related to lead products, and open up after-sales service consulting channels to assist customers in solving problems to further improve after-sales service.
4. Develop new products in cooperation with customers, increase the added value of products, and create a win-win situation together.

Person in charge: Chen, Li-Ming Manager: Li, Mao-Sheng
Case accountant: Tung, Hsin-Yuan

Inspection Report of Audit Committee

The Board of Directors made the Company's 2021 Business Report, financial statement and surplus distribution proposal, wherein the financial statement were certified by Deloitte Touche Tohmatsu Limited, and the inspection report was provided. The above-mentioned business report, financial statement and surplus distribution proposal are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Act made a report, please review it.

To
2022 Annual Shareholders' Meeting of
THYE MING INDUSTRIAL CO., LTD.

Audit Committee Convener: Chen, Yi-Ming

March 23, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Thye Ming Industrial Co., Ltd.

Opinion

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

In our opinion, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

Authenticity of Sales Revenue from Specific Customers

The Group's main source of revenue comes from the sales of lead alloy, yellow and red lead, among which the growth rate of sales revenue from specific customers is significantly higher. Therefore, in accordance with the Statements on Auditing Standards on presumption of revenue as a significant risk, the authenticity of the sales revenue from these specific customers was deemed as a key audit matter.

To evaluate the authenticity of the sales revenue, the following audit procedures were performed:

1. We understood and tested the effectiveness of internal control operations over the authenticity of revenue recognition.

2. We sample tested to verify whether the specific customer's operating income details were consistent with the sales items and amounts received from the shipper and invoices issued. We checked whether bill of lading had been signed by the customer or attached with shipping documents such as export declarations.
3. We sample tested to verify whether the receipt records and the specific customer's operating income details were consistent with the sales items.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 the 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 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2021 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.

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 777,051	11	\$ 958,453	15
Financial assets at fair value through profit or loss (Notes 4 and 7)	275,607	4	373,080	6
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	-	-	62,496	1
Notes receivable, net (Notes 4, 10 and 27)	9,194	-	12,321	-
Accounts receivable, net (Notes 4, 10 and 27)	1,164,550	17	1,226,056	19
Other receivables	13,739	-	7,233	-
Inventories (Notes 4, 5 and 11)	2,702,059	39	2,352,775	37
Other financial assets (Note 9)	224,875	3	215,970	4
Other current assets	28,542	1	20,439	-
Total current assets	<u>5,195,617</u>	<u>75</u>	<u>5,228,823</u>	<u>82</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	989,773	15	382,283	6
Property, plant and equipment (Notes 4, 13, 28 and 29)	492,070	7	511,367	8
Right-of-use assets (Notes 4 and 14)	8,666	-	9,057	-
Investment properties (Notes 4 and 15)	182,099	3	182,432	3
Intangible assets (Note 4)	10,560	-	10,582	-
Deferred tax assets (Notes 4 and 23)	10,275	-	13,933	1
Other financial assets (Notes 9 and 28)	13,100	-	13,100	-
Refundable deposits	1,183	-	1,418	-
Other non-current assets	2,565	-	-	-
Total non-current assets	<u>1,710,291</u>	<u>25</u>	<u>1,124,172</u>	<u>18</u>
TOTAL	<u>\$ 6,905,908</u>	<u>100</u>	<u>\$ 6,352,995</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 166,140	2	\$ 537,620	8
Contract liabilities (Note 21)	47,747	1	13,339	-
Notes payable (Note 17)	86	-	29	-
Accounts payable (Notes 17 and 27)	187,735	3	186,889	3
Other payables (Note 18)	98,220	1	95,632	2
Current tax liabilities (Note 23)	145,595	2	65,847	1
Other current liabilities	668	-	634	-
Total current liabilities	<u>646,191</u>	<u>9</u>	<u>899,990</u>	<u>14</u>
NON-CURRENT LIABILITIES				
Provisions (Note 4)	4,071	-	4,843	-
Deferred tax liabilities (Notes 4 and 23)	245,347	4	204,283	3
Net defined benefit liabilities (Notes 4 and 19)	28,070	-	30,142	1
Deposits received (Note 15)	800	-	800	-
Total non-current liabilities	<u>278,288</u>	<u>4</u>	<u>240,068</u>	<u>4</u>
Total liabilities	<u>924,479</u>	<u>13</u>	<u>1,140,058</u>	<u>18</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	<u>1,673,185</u>	<u>24</u>	<u>2,091,482</u>	<u>33</u>
Capital surplus	<u>975,330</u>	<u>14</u>	<u>975,330</u>	<u>15</u>
Retained earnings				
Legal reserve	972,816	14	937,192	15
Special reserve	379,885	6	346,223	6
Unappropriated earnings	1,741,076	25	1,217,585	19
Total retained earnings	<u>3,093,777</u>	<u>45</u>	<u>2,501,000</u>	<u>40</u>
Other equity	<u>199,161</u>	<u>3</u>	<u>(379,885)</u>	<u>(6)</u>
Total equity attributable to owners of the Company	5,941,453	86	5,187,927	82
NON-CONTROLLING INTERESTS (Note 20)	<u>39,976</u>	<u>1</u>	<u>25,010</u>	<u>-</u>
Total equity	<u>5,981,429</u>	<u>87</u>	<u>5,212,937</u>	<u>82</u>
TOTAL	<u>\$ 6,905,908</u>	<u>100</u>	<u>\$ 6,352,995</u>	<u>100</u>

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

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 21 and 27)	\$ 8,842,529	100	\$ 8,536,948	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>7,545,950</u>	<u>85</u>	<u>7,847,755</u>	<u>92</u>
GROSS PROFIT	<u>1,296,579</u>	<u>15</u>	<u>689,193</u>	<u>8</u>
OPERATING EXPENSES (Notes 10 and 22)				
Selling and marketing expenses	84,607	1	75,121	1
General and administrative expenses	154,995	2	136,617	2
Expected reversal of credit loss	<u>(6,906)</u>	<u>-</u>	<u>(396)</u>	<u>-</u>
Total operating expenses	<u>232,696</u>	<u>3</u>	<u>211,342</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>1,063,883</u>	<u>12</u>	<u>477,851</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	14,305	-	19,960	-
Other income	33,871	1	38,840	1
Other gains and losses	(63,445)	(1)	(75,540)	(1)
Finance costs	<u>(4,547)</u>	<u>-</u>	<u>(11,460)</u>	<u>-</u>
Total non-operating income and expenses	<u>(19,816)</u>	<u>-</u>	<u>(28,200)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,044,067	12	449,651	5
INCOME TAX EXPENSE (Notes 4 and 23)	<u>256,107</u>	<u>3</u>	<u>95,636</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>787,960</u>	<u>9</u>	<u>354,015</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,096	-	803	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	630,262	7	35,759	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(219)	-	(161)	-

(Continued)

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (20,762)	-	\$ (64,876)	(1)
Other comprehensive income (loss) for the year, net of income tax	610,377	7	(28,475)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,398,337	16	\$ 325,540	4
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 785,791		\$ 351,574	
Non-controlling interests	2,169		2,441	
	<u>\$ 787,960</u>		<u>\$ 354,015</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,380,971		\$ 322,579	
Non-controlling interests	17,366		2,961	
	<u>\$ 1,398,337</u>		<u>\$ 325,540</u>	
EARNINGS PER SHARE (Note 24)				
Basic	\$ 4.00		\$ 1.68	
Diluted	\$ 3.99		\$ 1.68	

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

(Concluded)

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain and Loss on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2020	\$ 2,091,482	\$ 975,330	\$ 886,265	\$ 300,274	\$ 1,376,516	\$ (375,410)	\$ 29,187	\$ 5,283,644	\$ 25,049	\$ 5,308,693
Appropriation of 2019 earnings (Note 20)										
Legal reserve	-	-	50,927	-	(50,927)	-	-	-	-	-
Special reserve	-	-	-	45,949	(45,949)	-	-	-	-	-
Cash dividends distributed by the Company - 20%	-	-	-	-	(418,296)	-	-	(418,296)	-	(418,296)
	-	-	50,927	45,949	(515,172)	-	-	(418,296)	-	(418,296)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Net profit for the year ended December 31, 2020	-	-	-	-	351,574	-	-	351,574	2,441	354,015
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	632	(64,876)	35,249	(28,995)	520	(28,475)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	352,206	(64,876)	35,249	322,579	2,961	325,540
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	4,035	-	(4,035)	-	-	-
BALANCE AT DECEMBER 31, 2020	2,091,482	975,330	937,192	346,223	1,217,585	(440,286)	60,401	5,187,927	25,010	5,212,937
Appropriation of 2020 earnings (Note 20)										
Legal reserve	-	-	35,624	-	(35,624)	-	-	-	-	-
Special reserve	-	-	-	33,662	(33,662)	-	-	-	-	-
Cash dividends distributed by the Company - 10%	-	-	-	-	(209,148)	-	-	(209,148)	-	(209,148)
	-	-	35,624	33,662	(278,434)	-	-	(209,148)	-	(209,148)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Reduction of cash capital (Note 20)	(418,297)	-	-	-	-	-	-	(418,297)	-	(418,297)
Net profit for the year ended December 31, 2021	-	-	-	-	785,791	-	-	785,791	2,169	787,960
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	868	(20,762)	615,074	595,180	15,197	610,377
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	786,659	(20,762)	615,074	1,380,971	17,366	1,398,337
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	15,266	-	(15,266)	-	-	-
BALANCE AT DECEMBER 31, 2021	\$ 1,673,185	\$ 975,330	\$ 972,816	\$ 379,885	\$ 1,741,076	\$ (461,048)	\$ 660,209	\$ 5,941,453	\$ 39,976	\$ 5,981,429

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

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,044,067	\$ 449,651
Adjustments for:		
Depreciation expense	51,483	57,049
Amortization expense	102	123
Expected credit loss reversed on accounts receivable	(6,906)	(396)
Net loss on fair value changes of financial assets at fair value through profit or loss	32,774	17,216
Finance costs	4,547	11,460
Interest income	(14,305)	(19,960)
Dividend income	(9,309)	(11,211)
Loss on disposal of property, plant and equipment	2,159	290
Inventory reversed	(3,156)	(65,703)
Unrealized loss (gain) on foreign currency exchange	581	(897)
Others	-	5
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	64,699	16,918
Notes receivable	3,127	(6,334)
Accounts receivable	63,941	(38,393)
Other receivables	1,642	243
Inventories	(358,418)	95,249
Other current assets	(8,103)	53,806
Contract liabilities	34,408	13,299
Notes payable	57	(76)
Accounts payable	2,163	(58,330)
Other payables	4,275	10,127
Provisions	(772)	556
Other current liabilities	34	(29)
Net defined benefit liabilities	(976)	(11,111)
Cash generated from operations	908,114	513,552
Interest received	14,305	19,960
Dividends received	9,309	11,211
Interest paid	(4,987)	(11,986)
Income tax paid	(131,856)	(77,643)
Net cash generated from operating activities	<u>794,885</u>	<u>455,094</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through profit or loss	77,020	12,553
Payments for property, plant and equipment	(39,673)	(24,604)
Proceeds from disposal of property, plant and equipment	897	181
Increase in refundable deposits	(871)	(18,951)
Decrease in refundable deposits	1,106	23,036
Payments for intangible assets	(80)	(10,500)

(Continued)

Thye Ming Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Payments for investment property	\$ (113)	\$ -
Increase in other financial assets	(12,217)	(25,463)
Increase in other non-current assets	<u>-</u>	<u>(600)</u>
Net cash generated from (used in) investing activities	<u>26,069</u>	<u>(44,348)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	650,100	1,053,331
Repayments of short-term borrowings	(1,016,999)	(1,079,657)
Dividends paid to owners of the Company	(209,148)	(418,296)
Capital reduction for cash	(418,297)	-
Dividends paid to non-controlling interests	<u>(2,400)</u>	<u>(3,000)</u>
Net cash used in financing activities	<u>(996,744)</u>	<u>(447,622)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(5,612)</u>	<u>(19,786)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(181,402)	(56,662)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>958,453</u>	<u>1,015,115</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 777,051</u>	<u>\$ 958,453</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Thye Ming Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of Thye Ming Industrial Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2021 is as follows:

Authenticity of Sales Revenue from Specific Customers

The Company's main source of revenue comes from the sales of lead alloy, yellow and red lead, among which the growth rate of sales revenue from specific customers is significantly higher. Therefore, in accordance with the Statements on Auditing Standards on presumption of revenue as a significant risk, the authenticity of the sales revenue from of these specific customers was deemed as a key audit matter.

To evaluate the authenticity of the sales revenue, the following audit procedures were performed:

1. We understood and tested the effectiveness of internal control operations over the authenticity of revenue recognition.
2. We sample tested to verify whether the specific customer's operating income details were consistent with the sales items and amounts received from the shipper and invoices issued. We checked whether bill of lading had been signed by the customer or attached with shipping documents such as export declarations.
3. We sample tested to verify whether the receipt records and the specific customer's operating income details were consistent with the sales items.

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 the 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 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 for the year ended December 31, 2021 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.

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2022

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 466,174	7	\$ 544,143	10
Financial assets at fair value through profit or loss (Notes 4 and 7)	270,411	4	363,936	6
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	-	-	62,496	1
Notes receivable, net (Notes 4, 10 and 27)	9,194	-	12,321	-
Accounts receivable, net (Notes 4, 10 and 27)	818,497	13	956,122	17
Other receivables (Note 27)	8,438	-	52	-
Inventories (Notes 4, 5 and 11)	1,920,558	29	1,526,298	26
Other current assets	<u>22,215</u>	-	<u>10,111</u>	-
Total current assets	<u>3,515,487</u>	<u>53</u>	<u>3,475,479</u>	<u>60</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	790,759	12	309,837	5
Investments accounted for using the equity method (Notes 4 and 12)	1,784,229	27	1,490,113	26
Property, plant and equipment (Notes 4 and 13)	315,907	5	325,170	6
Investment properties (Notes 4 and 15)	149,228	3	149,562	3
Intangible assets (Note 4)	10,560	-	10,582	-
Deferred tax assets (Notes 4 and 23)	9,343	-	12,443	-
Other financial assets (Notes 9 and 28)	13,100	-	13,100	-
Refundable deposits	683	-	917	-
Prepayments for equipment	<u>1,000</u>	-	<u>-</u>	-
Total non-current assets	<u>3,074,809</u>	<u>47</u>	<u>2,311,724</u>	<u>40</u>
TOTAL	<u>\$ 6,590,296</u>	<u>100</u>	<u>\$ 5,787,203</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ -	-	\$ 100,000	2
Contract liabilities (Note 21)	47,747	1	163	-
Notes payable (Note 17)	86	-	29	-
Accounts payable (Note 17)	83,895	1	85,496	1
Accounts payable - related parties (Notes 17 and 27)	23,588	1	34,585	1
Other payables (Note 18)	88,522	1	81,015	1
Current tax liabilities (Notes 4 and 23)	129,092	2	60,678	1
Other current liabilities	<u>663</u>	-	<u>629</u>	-
Total current liabilities	<u>373,593</u>	<u>6</u>	<u>362,595</u>	<u>6</u>
NON-CURRENT LIABILITIES				
Provisions (Note 4)	3,992	-	4,742	-
Deferred tax liabilities (Notes 4 and 23)	245,007	4	203,749	4
Net defined benefit liabilities (Notes 4 and 19)	25,451	-	27,390	-
Deposits received (Note 15)	<u>800</u>	-	<u>800</u>	-
Total non-current liabilities	<u>275,250</u>	<u>4</u>	<u>236,681</u>	<u>4</u>
Total liabilities	<u>648,843</u>	<u>10</u>	<u>599,276</u>	<u>10</u>
EQUITY (Note 20)				
Ordinary shares	<u>1,673,185</u>	<u>25</u>	<u>2,091,482</u>	<u>36</u>
Capital surplus	<u>975,330</u>	<u>15</u>	<u>975,330</u>	<u>17</u>
Retained earnings				
Legal reserve	972,816	15	937,192	16
Special reserve	379,885	6	346,223	6
Unappropriated earnings	<u>1,741,076</u>	<u>26</u>	<u>1,217,585</u>	<u>21</u>
Total retained earnings	<u>3,093,777</u>	<u>47</u>	<u>2,501,000</u>	<u>43</u>
Other equity	<u>199,161</u>	<u>3</u>	<u>(379,885)</u>	<u>(6)</u>
Total equity	<u>5,941,453</u>	<u>90</u>	<u>5,187,927</u>	<u>90</u>
TOTAL	<u>\$ 6,590,296</u>	<u>100</u>	<u>\$ 5,787,203</u>	<u>100</u>

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

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 21 and 27)	\$ 6,491,806	100	\$ 6,074,028	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>5,502,500</u>	<u>85</u>	<u>5,527,110</u>	<u>91</u>
GROSS PROFIT	<u>989,306</u>	<u>15</u>	<u>546,918</u>	<u>9</u>
OPERATING EXPENSES (Notes 10 and 22)				
Selling and marketing expenses	73,692	1	63,358	1
General and administrative expenses	126,543	2	105,586	2
Expected reversal of credit loss	<u>(6,187)</u>	<u>-</u>	<u>(1,227)</u>	<u>-</u>
Total operating expenses	<u>194,048</u>	<u>3</u>	<u>167,717</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>795,258</u>	<u>12</u>	<u>379,201</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	982	-	3,479	-
Other income	33,042	1	40,301	1
Other gains and losses	(64,091)	(1)	(64,879)	(1)
Finance costs	(341)	-	(148)	-
Share of profit or loss of subsidiaries accounted for using the equity method	<u>221,031</u>	<u>3</u>	<u>75,898</u>	<u>1</u>
Total non-operating income and expenses	<u>190,623</u>	<u>3</u>	<u>54,651</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	985,881	15	433,852	7
INCOME TAX EXPENSE (Notes 4 and 23)	<u>200,090</u>	<u>3</u>	<u>82,278</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>785,791</u>	<u>12</u>	<u>351,574</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,001	-	694	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	503,694	8	31,512	-

(Continued)

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	\$ 111,447	1	\$ 3,814	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(200)	-	(139)	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	<u>(20,762)</u>	<u>-</u>	<u>(64,876)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>595,180</u>	<u>9</u>	<u>(28,995)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,380,971</u>	<u>21</u>	<u>\$ 322,579</u>	<u>5</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 4.00</u>		<u>\$ 1.68</u>	
Diluted	<u>\$ 3.99</u>		<u>\$ 1.68</u>	

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

Thye Ming Industrial Co., Ltd.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity	Total	Total Equity
			Legal Reserve	Special Reserve	Unrealized Gain and Loss on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2020	\$ 2,091,482	\$ 975,330	\$ 886,265	\$ 300,274	\$ 1,376,516	\$ (375,410)	\$ 29,187	\$ (346,223)	\$ 5,283,644	
Appropriation of 2019 earnings (Note 20)										
Legal reserve	-	-	50,927	-	(50,927)	-	-	-	-	
Special reserve	-	-	-	45,949	(45,949)	-	-	-	-	
Cash dividends distributed by the Company - 20%	-	-	-	-	(418,296)	-	-	-	(418,296)	
	-	-	50,927	45,949	(515,172)	-	-	-	(418,296)	
Net profit for the year ended December 31, 2020	-	-	-	-	351,574	-	-	-	351,574	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	632	(64,876)	35,249	(29,627)	(28,995)	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	352,206	(64,876)	35,249	(29,627)	322,579	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	4,035	-	(4,035)	(4,035)	-	
BALANCE AT DECEMBER 31, 2020	2,091,482	975,330	937,192	346,223	1,217,585	(440,286)	60,401	(379,885)	5,187,927	
Appropriation of 2020 earnings (Note 20)										
Legal reserve	-	-	35,624	-	(35,624)	-	-	-	-	
Special reserve	-	-	-	33,662	(33,662)	-	-	-	-	
Cash dividends distributed by the Company - 10%	-	-	-	-	(209,148)	-	-	-	(209,148)	
	-	-	35,624	33,662	(278,434)	-	-	-	(209,148)	
Reduction of cash capital (Notes 20)	(418,297)	-	-	-	-	-	-	-	(418,297)	
Net profit for the year ended December 31, 2021	-	-	-	-	785,791	-	-	-	785,791	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	868	(20,762)	615,074	594,312	595,180	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	786,659	(20,762)	615,074	594,312	1,380,971	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 8)	-	-	-	-	15,266	-	(15,266)	(15,266)	-	
BALANCE AT DECEMBER 31, 2021	\$ 1,673,185	\$ 975,330	\$ 972,816	\$ 379,885	\$ 1,741,076	\$ (461,048)	\$ 660,209	\$ 199,161	\$ 5,941,453	

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

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 985,881	\$ 433,852
Adjustments for:		
Depreciation expense	37,465	40,585
Amortization expense	102	123
Expected credit loss reversed on accounts receivable	(6,187)	(1,227)
Net loss on fair value changes of financial assets at fair value through profit or loss	30,434	14,602
Finance costs	341	148
Interest income	(982)	(3,479)
Dividend income	(7,367)	(9,512)
Share of profit of subsidiaries accounted for using the equity method	(221,031)	(75,898)
Loss on disposal of property, plant and equipment	2,382	290
Inventory write-down reversed	(42)	(52,765)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	63,091	12,323
Notes receivable	3,127	(6,334)
Accounts receivable	143,812	(3,941)
Other receivables	(138)	14
Inventories	(394,218)	42,090
Other current assets	(12,104)	11,734
Contract liabilities	47,584	123
Notes payable	57	(76)
Accounts payable	(1,601)	1,820
Accounts payable to related parties	(10,997)	4,340
Other payables	8,772	4,580
Provisions	(750)	555
Other current liabilities	34	(27)
Net defined benefit liabilities	(938)	(11,080)
Cash generated from operations	<u>666,727</u>	<u>402,840</u>
Interest received	982	3,479
Dividends received	24,967	31,512
Interest paid	(359)	(155)
Income tax paid	<u>(87,518)</u>	<u>(69,267)</u>
Net cash generated from operating activities	<u>604,799</u>	<u>368,409</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of financial assets at fair value through profit or loss	77,020	12,553
Payments for property, plant and equipment	(33,058)	(19,388)
Proceeds from disposal of property, plant and equipment	674	181
Increase in refundable deposits	(872)	(18,951)
Decrease in refundable deposits	1,106	23,036
Payments for intangible assets	(80)	(10,500)

(Continued)

Thye Ming Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Increase in other financial assets	\$ (113)	\$ (600)
Net cash generated from (used in) investing activities	<u>44,677</u>	<u>(13,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	25,000
Repayments of short-term borrowings	(100,000)	-
Dividends paid to owners of the Company	(209,148)	(418,296)
Capital reduction for cash	<u>(418,297)</u>	<u>-</u>
Net cash used in financing activities	<u>(727,445)</u>	<u>(393,296)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(77,969)	(38,556)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>544,143</u>	<u>582,699</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 466,174</u>	<u>\$ 544,143</u>

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

THYE MING INDUSTRIAL CO., LTD.

Disposition of Net Income of 2021

		Unit: NT dollar
Undistributed net income at the beginning of the period		939,150,769
Net profit for the period	785,790,404	
Actuarial profit and loss are included in retained net income	868,206	
Disposal of investments in equity instruments measured at fair value through other comprehensive gains and losses, cumulative gains and losses are directly transferred to retained net income	15,266,179	
Current net profit + adjustment		801,924,789
Withdraw 10% for the legal surplus reserves		(80,192,479)
Special surplus reserve		337,820,648
Distributable surplus for the current period		1,998,703,727
distribution items:		
Shareholders' dividend		(752,933,403)
Undistributed surplus at the end of the period		1,245,770,324

Note: All dividends to shareholders are cash dividends, with NT\$ 4.5 per share.

Person in charge: Chen, Li-Ming Manager: Li, Mao-Sheng
Case accountant: Tong, Hsin-Yuan

THYE MING INDUSTRIAL CO., LTD.

Comparison table of provisions before and after the amendment to the “Corporate Governance Best Practice Principles”

Article No.	Article before amendment	Article after amendment	Reason for Amendment
Article 2	<p>When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles:</p> <ol style="list-style-type: none"> 1. <u>Establish an effective corporate governance framework.</u> 2. Protect the rights and interests of shareholders. 3. Strengthen the powers of the board of directors. 4. Fulfill the function of supervisors. 5. Respect the rights and interests of stakeholders. 6. Enhance information transparency. 	<p>When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles:</p> <ol style="list-style-type: none"> 1. Protect the rights and interests of shareholders. 2. Strengthen the powers of the board of directors. 3. Fulfill the function of supervisors. 4. Respect the rights and interests of stakeholders. 5. Enhance information transparency. 	In order to conform to the amended regulation
Article 3	<p>The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to <u>establish an efficient</u> internal control system, <u>and</u> shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-<u>assessments</u> by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with its internal auditors about reviews of internal control system</p>	<p>The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to <u>design and fully implement</u> an internal control system, <u>and</u> shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.</p> <p>The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-<u>assessments</u> by each department at least annually and the reports of the internal audit department <u>on a quarterly basis</u>. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with its internal auditors about</p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.</p> <p>The Company is advised to establish channels and mechanisms of communication between their independent directors and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.</p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p>	<p>reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.</p> <p>The Company are advised to establish channels and mechanisms of communication between their independent directors, <u>audit committees</u> or supervisors, and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.</p> <p>The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.</p> <p><u>Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairman for approval.</u></p>	
<u>Article 3-1</u>	<u>Added</u>	<p><u>The company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position</u></p>	In order to conform to the amended regulation

Article No.	Article before amendment	Article after amendment	Reason for Amendment
		<p><u>for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</u></p> <ol style="list-style-type: none"> <u>1. Handling matters relating to board meetings and shareholders meetings according to laws.</u> <u>2. Producing minutes of board meetings and shareholders meetings.</u> <u>3. Assisting in onboarding and continuous development of directors and supervisors.</u> <u>4. Furnishing information required for business execution by directors and supervisors.</u> <u>5. Assisting directors and supervisors with legal compliance.</u> <u>6. Other matters set out in the articles or corporation or contracts.</u> 	
Article 6	<p>The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an</p>	<p>The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location <u>with supportive video</u>, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to</p>	<p>To amend referring to the Taiwan Stock Exchange Taiwan Securities Regulatory Commission Letter No. 1110004250</p>

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.</p>	<p>deliberate each proposal and an appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.</p>	
Article 10	<p>The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</p>	<p>The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</p> <p><u>To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</u></p> <p><u>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results. Include (not limit) directors shall not trade their shares during the 30 days before the announcement of the annual financial report and the 15 days before the announcement of the quarterly financial report.</u></p>	<p>To amend referring to the Taiwan Stock Exchange Taiwan Securities Regulatory Commission Letter No. 1100024981</p>
Article 10-1	<u>Added</u>	<p><u>The Company shall, in the shareholders meeting, report the remuneration of directors, including the remuneration policy, the content and amount of each</u></p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
		<u>remuneration, and the relation of result of performance evaluation.</u>	
Article 11	The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution.	The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. <u>In order to proceed with the above examination, the shareholders meeting may appoint an inspector. The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records and assets of the Company. The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.</u>	In order to conform to the amended regulation
Article 12	In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. When the Company is involved in a <u>management buyout (MBO)</u> , in addition to proceeding in accordance with the applicable laws and/or regulations, <u>it is advisable to establish an objective and</u>	In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. When the Company is involved in a <u>merger, acquisition or public tender offer</u> , in addition to proceeding in accordance with the applicable laws and/or regulations, <u>it shall not only pay attention to the fairness,</u>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p><u>independent committee to review the rationality of the acquisition price and the acquisition plan, as well as pay attention to the regulations regarding the information disclosure.</u></p> <p>The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p><u>rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.</u></p> <p>The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	
Article 13	<p>In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.</p>	<p>In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.</p> <p><u>It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.</u></p>	<p>In order to conform to the amended regulation</p> <p>In order to conform to the amended regulation</p>
<u>Article 13-1</u>	<u>Added</u>	<p><u>The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.</u></p>	
<u>Article 13-2</u>	<u>Added</u>	<p><u>In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such</u></p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
		<u>meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.</u>	
Article 14	The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly <u>apply</u> risk assessments and establish appropriate firewalls.	The company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly <u>carry out</u> risk assessments and establish appropriate firewalls.	To amend the text
Article 15	Unless otherwise provided by the laws and regulations, a manager of the Company is not <u>advised</u> to serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.	Unless otherwise provided by the laws and regulations, a manager of the Company <u>may</u> not serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.	
Article 16	The Company shall establish sound systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly <u>conduct</u> an overall risk assessment of major banks they deal with and customers and suppliers, and apply for the necessary control mechanisms to reduce credit risk.	The Company shall establish sound <u>objectives and</u> systems for management <u>of</u> finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly <u>conduct</u> an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.	
Article 18	A corporate shareholder having controlling power over the Company shall comply with the following provisions: 1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable. 2. Its representative shall follow the	A corporate shareholder having controlling power over the Company shall comply with the following provisions: 1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable. 2. Its representative shall follow the	In order to conform to the amended regulation

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall <u>exercise</u> the fiduciary duty and duty of care of a director or supervisor.</p> <p>3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.</p> <p>4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.</p> <p>5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.</p>	<p>rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall <u>exercise</u> the fiduciary duty and duty of care of a director or supervisor.</p> <p>3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.</p> <p>4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.</p> <p>5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.</p> <p>6. <u>The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.</u></p>	
Article 20	<p>The board of directors of the Company shall <u>report to</u> shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>The structure of the Company's board of directors shall be determined by choosing an appropriate number of board</p>	<p>The board of directors of the Company shall <u>direct company strategies, supervise the management, and be responsible to the company and</u> shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>The structure of the Company's board of directors shall be</p>	To amend referring to the Taiwan Stock Exchange Taiwan Securities Regulatory Commission Letter No. 1100024981

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.</p> <p>The composition of the board of directors shall <u>follow gender equality</u>. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <ol style="list-style-type: none"> 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. 	<p>determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.</p> <p>The composition of the board of directors shall <u>be determined by taking diversity into consideration</u>. <u>It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</u></p> <ol style="list-style-type: none"> 1. <u>Basic requirements and values: Gender, age, nationality, and culture.</u> 2. <u>Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.</u> <p><u>All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</u></p> <ol style="list-style-type: none"> 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. 	
Article 21	The Company shall establish a fair, just, and open procedure for the election of directors, encourage	The Company shall, <u>according to the principles for the protection of shareholder rights and interests and</u>	In order to conform to the amended

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.</p> <p>Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.</p>	<p><u>equitable treatment of shareholders</u>, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.</p> <p>Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.</p>	regulation
	Skip item 3 to item 4	Skip item 3 to item 4.	
Article 23	<p>Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairperson to also act as the general manager or an equivalent post.</p>	<p>Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.</p> <p>It is inappropriate for the chairperson to also act as the general manager or an equivalent post.</p> <p><u>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</u></p>	In order to conform to the amended regulation
Article 24	<p>The Company shall appoint independent directors in accordance with its articles of incorporation. They <u>shall</u> be not less than two in number and not less than one-fifth of the total number of directors.</p>	<p>The Company shall appoint independent directors in accordance with its articles of incorporation. They are not <u>advised</u> be not less than two in number and not less than <u>one-third of the total number of directors</u>. <u>The consecutive term of independent directors shall not exceed three terms.</u></p>	To amend referring to the Taiwan Stock Exchange Taiwan Securities Regulatory Commission Letter No. 1100024981
	Skip item 2 to item 6.	Skip item 2 to item 6.	
Article 27	<p>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of <u>the board of director's scale and the number of its independent board members</u>, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate</p>	<p>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of <u>the company's scale and type of operations and the number of its board members</u>, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate</p>	In order to conform to the amended regulation

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.</p> <p>Skip item 2 to item 3.</p>	<p>social responsibility and sustainable operation, may set up environmental protection, <u>corporate social responsibility</u>, or other committees, and expressly provide for them in the articles of incorporation.</p> <p>Skip item 2 to item 3.</p>	
<u>Article 28-2</u>	Added	<p><u>The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.</u></p>	In order to conform to the amended regulation
<u>Article 28-3</u>	Added	<p><u>The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.</u></p>	
Article 30	<p>The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions.</p> <p>The Company shall evaluate the independence of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company</p>	<p><u>To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.</u></p> <p><u>To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.</u></p> <p><u>Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year.</u></p> <p><u>Those courses may be company internal training activities or may be professional courses offered by professional development</u></p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall <u>consider</u> the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p><u>institutions for principal accounting officers.</u> The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. <u>It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.</u> The Company shall evaluate the independence <u>and suitability</u> of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall <u>evaluate</u> the necessity of replacing the CPA and submit its <u>conclusion</u> to the board of directors.</p>	
Article 33	<p>Company directors shall exercise a high degree of self-discipline. <u>If a director is an interested party with respect to any proposal for a board meeting, the director shall voluntary recusal and may not participate in discussion or voting on that proposal. The director also may not act as another director's proxy to exercise voting rights on that matter. Other directors shall exercise a high degree of self-</u></p>	<p>Company directors shall exercise a high degree of self-discipline. <u>If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not</u></p>	<p>In order to conform to the amended regulation</p>

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p><u>discipline and not allow to support each other.</u> Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.</p>	<p><u>participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.</u> Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.</p>	
Article 38	<p>(Skip Item 1) It is advisable that the Company formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment <u>measures</u> shall be developed in consideration of the company's needs: 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls.</p> <p>(Skip the following items)</p>	<p>(Skip Item 1) It is advisable that the Company formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment <u>indicators</u> shall be developed in consideration of the company's needs: 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls.</p> <p>(Skip the following items)</p>	To amend the text
<u>Article 38-1</u>	Added	<p><u>It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.</u></p>	In order to conform to the amended regulation
Article 53	The Company shall maintain channels of communication with its banks, other creditors, employees,	The Company shall maintain channels of communication with its banks, other creditors, employees,	In order to conform to the amended

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>consumers, suppliers, community, or other <u>stakeholders</u>, and shall respect and safeguard their legal rights.</p> <p><u>When the Company is involved in a management buyout, it shall monitor the subsequent soundness of the company's financial structure.</u></p> <p>When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.</p>	<p>consumers, suppliers, community, or <u>other stakeholders</u> of the company, respect and safeguard their legal rights and interests, <u>and it is advised to designate the stakeholders section on its website.</u></p> <p>When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.</p>	regulation
Article 59	<p>In order to keep shareholders and stakeholders fully informed, the Company is <u>advised</u> to utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance.</p> <p>To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.</p>	<p>In order to keep shareholders and stakeholders fully informed, the Company <u>shall</u> utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance.</p> <p>To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.</p>	To amend the text
Article 60	<p>The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and is <u>advised</u> to keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on <u>the designated Internet information posting system</u> and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.</p>	<p>The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and <u>shall</u> keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on <u>the Market Observation Post System</u> and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.</p>	
Article 61	<p><u>The Company shall disclose the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE and GTSM rules:</u></p> <ol style="list-style-type: none"> <u>1. Corporate governance framework and rules.</u> <u>2. Ownership structure and the rights and interests of shareholders.</u> <u>3. Structure and independence of</u> 	<p><u>The Company shall disclose the following information regarding corporate governance on its website and keep updating:</u></p> <ol style="list-style-type: none"> <u>1. Board of directors: Such as the brief, related right and obligation of directors, the policy of diverse directors and the implementation.</u> <u>2. Functional committee: the brief, related right and obligation of members in each functional committee.</u> 	To amend referring to the Taiwan Stock Exchange Taiwan Securities Regulatory Commission Letter No. 1100024981

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p><u>the board of directors.</u></p> <p><u>4. Responsibility of the board of directors and managerial officers.</u></p> <p><u>5. Composition, duties and independence of the audit committee or supervisors.</u></p> <p><u>6. Composition, duties and operation of the remuneration committee.</u></p> <p><u>7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the most recent fiscal year, the analysis of the percentage of total remuneration to net profit after tax, the policy, standard and package of remuneration payment, the procedure for Determination of remuneration and the connection with the operation performance. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed. In addition, the remuneration of individual directors should be disclosed under special circumstances.</u></p> <p><u>8. The progress of training of directors and supervisors.</u></p> <p><u>9. The rights of and relationships between the stakeholders.</u></p> <p><u>10. Details of the events subject to information disclosure required by law and regulations.</u></p> <p><u>11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</u></p> <p><u>12. Other information regarding corporate governance.</u></p> <p><u>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</u></p>	<p><u>3. Procedures of corporate governance: The procedures regarding the corporate governance such as Procedures of the Company, the Rules of board of directors, and the Rules of the functional committee.</u></p> <p><u>4. Important information related to the corporate governance: Such as the information of setting the head of corporate governance.</u></p>	

THYE MING INDUSTRIAL CO., LTD.

Comparison table of provisions before and after the amendment to the "Articles of Incorporation"

Article No.	Article before amendment	Article after amendment	Reason for Amendment
<u>Article 8-1</u>	<u>Added</u>	<u>This Corporation's shareholders' meeting may be held by video conferencing or other methods announced by the Ministry of Economic Affairs authorities.</u>	Add this Article in order to in line with the Article 172-2 in the Company Act that indicates the public listed company shall adopt the rules of video conference in the shareholders meeting.
Article 23	This Article of Incorporation was established on February 1, 1983, and was first amended on December 17, 1984. , The 41st amendment was on June 28, 2019, the 42nd amendment was on July 23, 2021.	This Article of Incorporation was established on February 1, 1983, and was first amended on December 17, 1984. , The 41st amendment was on June 28, 2019, the 42nd amendment was on July 23, 2021, <u>the 43rd amendment on June 14, 2022.</u>	Add revision date and order of articles

THYE MING INDUSTRIAL CO., LTD.

Comparison table of provisions before and after the amendment to the “Operational Procedures for Acquisition and Disposal of Assets”

Article No.	Article before amendment	Article after amendment	Reason for Amendment
Article 5	<p>(Paragraph 1, Subparagraph 1 to Subparagraph 3 are omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>auditing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations. 	<p>(Paragraph 1, Subparagraph 1 to Subparagraph 3 are omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph <u>shall comply with the self-regulatory rules for each of its peer associations and</u> the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. Where 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 <u>adequate and reasonable</u>, and that they have complied with applicable laws and regulations. 	<p>In accordance the Letter Ching-Guan-Zheng-Sheng-Zi No. 1110380465 from FSC</p>
Article 7	<p>Procedures Governing the Acquisition and Disposal of Real Property or Equipment (Paragraphs 1 and 2 are omitted)</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction</p>	<p>Procedures Governing the Acquisition and Disposal of Real Property or Equipment (Paragraphs 1 and 2 are omitted)</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction</p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>amount reaches 20 percent of this Corporation's paid-in capital or NT\$300 million or more, this Corporation, 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 prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, <u>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</u> render a specific opinion regarding the reason for the discrepancy and the 	<p>amount reaches 20 percent of this Corporation's paid-in capital or NT\$300 million or more, this Corporation, 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 prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ol style="list-style-type: none"> (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
Article 8	<p>Procedures for the acquisition and disposal of securities (Paragraph 1 is omitted)</p> <p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; <u>if an accountant is required to use an expert report, he or she should follow the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active</p>	<p>Procedures for the acquisition and disposal of securities (Paragraph 1 is omitted)</p> <p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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 <u>Financial Supervisory Commission (FSC).</u></p>	<p>In accordance the Letter Ching-Guan-Zheng-Sheng-Zi No. 1110380465 from FSC</p>

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	market, or where otherwise provided by regulations of the <u>competent security authority</u> .		
Article 9	Regulations Governing the Acquisition and Disposal of Memberships or Intangible Assets (Paragraph 1 is omitted) Where this Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the the matter to facilities transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, this Corporation shall engage a certified The Company accountant prior to the date of occurrence of the event to render an opinion on the joint of the the matter to price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	Regulations Governing the Acquisition and Disposal of Memberships or Intangible Assets (Paragraph 1 is omitted) Where the Company acquires or disposes of intangible assets or <u>right-of-use assets</u> thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	In accordance the Letter Ching-Guan-Zheng-Sheng-Zi No. 1110380465 from FSC
Article 11	Procedures for related party transactions 1. (Omitted). 2. Evaluation and the operating procedures When this Corporation 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 percent or more of paid-in capital, 10 percent or more of this Corporation'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 domestic money market funds, this Corporation may not proceed to enter into a transaction contract or make a payment until <u>the following matters have been approved by the Board of Directors:</u>	Procedures for related party transactions 1. (Omitted). 2. Evaluation and the operating procedures When this Corporation 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 percent or more of paid-in capital, 10 percent or more of this Corporation'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 domestic money market funds, this Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been <u>submitted and approved by over half of the</u>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions in Paragraph 3, Subparagraphs (1) and (4) of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to this Corporation and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 10, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items</u></p>	<p><u>members of the audit committee and adopted by the board of directors meeting with resolution:</u></p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions in Paragraph 3, Subparagraphs (1) and (4) of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to this Corporation and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which</p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p><u>submitted to the audit committee for approval and to the Board of Directors for recognition in accordance with the provisions are exempt from counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between this Corporation and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p>	<p>it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>When the proposal is submitted for discussion by the board of directors pursuant to the provisions in 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.</u></p> <p><u>If the transaction in paragraph 2 between the Company or a subsidiary not belong to a domestic public company amounts to more than 10% of the Company's total assets, the public company shall submit the information listed in the paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply to transactions between the Company and its subsidiaries, or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in Paragraph 2 and the preceding paragraph shall be done in accordance with Article 10, paragraph 2 herein, and "within the preceding year" as used</p>	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	(Omitted)	<p>herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the shareholder's meeting, audit committee for approval and to the Board of Directors for recognition in accordance with the provisions are exempt from counted toward the transaction amount.</p> <p>(Omitted)</p>	
Article 14	<p>Procedures for public disclosure of information</p> <p>1. Items to be announced or filed and the standards for announcement or filing</p> <p>Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of this Corporation's paid-in capital, 10 percent or more of the total assets, or NT\$300 million or more; provided, this shall not apply to 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.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p>	<p>Procedures for public disclosure of information</p> <p>1. Items to be announced or filed and the standards for announcement or filing</p> <p>Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of this Corporation's paid-in capital, 10 percent or more of the total assets, or NT\$300 million or more; provided, this shall not apply to 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.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p>	<p>In accordance the Letter Ching-Guan-Zheng-Sheng-Zi No. 1110380465 from FSC</p>

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	<p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by this Corporation.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on this Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount this Corporation expects to invest in the transaction reaches NT\$500 million.</p> <p>(6) <u>Where</u> an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 	<p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by this Corporation.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on this Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount this Corporation expects to invest in the transaction reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with credit ratings not lower than the sovereign rating of our country.</u> 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money 	

Article No.	Article before amendment	Article after amendment	Reason for Amendment
	(Omitted)	market funds issued by domestic securities investment trust enterprises. (Omitted)	

THYE MING INDUSTRIAL CO., LTD.

Corporate Governance Best Practice Principles

Date of Establishment: 1992.04.11

Date of Amendment: 2017.06.28

Date of Amendment: 2019.06.28

Date of Amendment: 2020.03.19

- Article 1 The Company has established these Principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies jointly formulated by the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) in establishing sound corporate governance systems.
- Article 2 When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles:
1. Establish an effective corporate governance framework.
 2. Protect the rights and interests of shareholders.
 3. Strengthen the powers of the board of directors.
 4. Fulfill the function of supervisors.
 5. Respect the rights and interests of stakeholders.
 6. Enhance information transparency.
- Article 3 The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to establish an efficient internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment
- The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with its internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.
- The Company is advised to establish channels and mechanisms of communication between their independent directors and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.
- The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.
- Article 4 The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.
- The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.
- Article 5 The Company shall convene shareholders meetings in accordance with. The Company

Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws. The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or supervisors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the

adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

Article 11 The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution.

Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a management buyout (MBO), in addition to proceeding in accordance with the applicable laws and/or regulations, it is advisable to establish an objective and independent committee to review the rationality of the acquisition price and the acquisition plan, as well as pay attention to the regulations regarding the information disclosure.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly apply risk assessments and establish appropriate firewalls.

Article 15 Unless otherwise provided by the laws and regulations, a manager of the Company is not advised to serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

- Article 16 The Company shall establish sound systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and apply for the necessary control mechanisms to reduce credit risk.
- Article 17 When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited. All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.
- Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions:
1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
 2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
 3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
 4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
 5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
- Article 19 The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.
The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.
The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.
- Article 20 The board of directors of the Company shall report to shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.
The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall follow gender equality. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21 The Company shall establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of Directors falls below five due to the dismissal of a Director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of Directors falls short by one third of the total number prescribed in this Corporation's Articles of Incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager. It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

Article 24 The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director,

supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company. Independent directors and non-independent directors may not change their identity during their term of office.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25 Deleted.

Article 26 The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Article 27 For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the board of director's scale and the number of its independent board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 The Company established an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

- Article 29 The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter.
- Article 30 The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. The Company shall evaluate the independence of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall consider the necessity of replacing the CPA and submit its conclusion to the board of directors.
- Article 31 It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures. When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require. The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.
- Article 32 The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors. The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.
- Article 33 Company directors shall exercise a high degree of self-discipline. If a director is an interested party with respect to any proposal for a board meeting, the director shall voluntarily recuse and may not participate in discussion or voting on that proposal. The director also may not act as another director's proxy to exercise voting rights on

that matter. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 34

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the Board of Directors' meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. Any matter that has not been passed by the Audit Committee but has been adopted with the approval of two-thirds or more of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 35

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means. The Company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If any litigation arises in connection with a resolution of a board of directors meeting before the end of the preservation period referred to in the preceding paragraph, the relevant audio or video recordings shall continue to be preserved, and are not applicable to the provisions in the preceding Paragraph.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes

or written statements will not be liable for damages.

Article 36 The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual financial reports.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by-law to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 37 The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Article 38 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment measures shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.

2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. The degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal control

It is advisable that the Company conducts the performance assessments of the functional committees, including the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. The degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal controls.

The Company shall submit the results of performance assessments to the board of directors.

Article 39 It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 40 If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

Article 41 The Corporation may insure liability insurance for Directors with respect to liabilities arising from performance of duties during their term of office so as to reduce and spread the risk of material damage to the Corporation and shareholders arising from the wrongdoings or negligence of Directors. The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 42 Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their

professionalism and knowledge of the law.

Article 43 Deleted.

Article 44 Deleted.

Article 45 Deleted.

Article 46 Deleted.

Article 47 Deleted.

Article 48 Deleted.

Article 49 Deleted.

Article 50 Deleted.

Article 51 Deleted.

Article 52 Deleted.

Article 53 The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders, and shall respect and safeguard their legal rights.

When the Company is involved in a management buyout, it shall monitor the subsequent soundness of the company's financial structure.

When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.

Article 52 The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 55 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 56 In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Article 57 Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 58 In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid

any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 59 In order to keep shareholders and stakeholders fully informed, the Company is advised to utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 60 The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and is advised to keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the designated Internet information posting system and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

Article 61 The Company shall disclose the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE and GTSM rules:

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders.
3. Structure and independence of the board of directors.
4. Responsibility of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee or supervisors.
6. Composition, duties and operation of the remuneration committee.
7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the most recent fiscal year, the analysis of the percentage of total remuneration to net profit after tax, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed. In addition, the remuneration of individual directors should be disclosed under special circumstances.
8. The progress of training of directors and supervisors.
9. The rights of and relationships between the stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.
11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.
12. Other information regarding corporate governance.

The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Article 62 The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 63 The Principles and any amendments thereafter shall become effective upon

resolution at the board meeting.

THYE MING INDUSTRIAL CO., LTD.

Articles of Incorporation

Chapter I General Provision

- Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of THYE MING INDUSTRIAL CO., LTD. °
- Article 2 The Company's scope of services is set out hereunder:
1. Electrolytic chemical refining manufacturing, processing and trading on copper, aluminum, tin, zinc, antimony and other metals.
 2. Manufacturing, processing and trading related with copper ingots, copper plates, copper bars, copper pipes, lead plates, lead ingots, lead pipes, lead wires, tin wires, lead alloy ingots, red lead powder, yellow lead powder, pigments, zinc oxide powder, lead oxide, die-casting, etc.
 3. Wholesale and retail of a variety of supplies and groceries.
 4. The agent, distributor offers and bidding business of preceding various domestic and foreign products.
 5. Import and Export trading business for the preceding diversified products.
 6. Contract with construction companies to build residential and commercial buildings for lease and sale.
 7. Contract with construction companies to develop an industrial zone approved by the industrial supervisory unit.
 8. General and industrial waste cleaning business (except for construction industry) (irregular working sites).
 9. General and industrial waste cleaning and recycling business (such as waste lead battery, lead residues etc.).
 10. Trades of waste lead battery and lead residues etc.
 11. Trades of chemical products (except for controlled product).
 12. Warehouse.
 13. ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may provide external guarantees and reinvestment for related businesses in respect of business, where the total amount reinvested is not bound by 40%, the upper limit of the Company's paid-in capital pursuant to Article 13 of the Company Act.
- Article 4 The Company has its head office in Kaohsiung City, and the Company may establish branches in and out of this country through resolution of the Board of Directors and the competent authorities.

Chapter II Shares

- Article 5 The total amount of the Company's capital is NT\$3.1 billion, which is further divided into 310 million Shares, with the value per share NT\$10, and issue shares in installments.
- Article 6 The Company's stocks are all registered, signed or stamped by the directors representing the Company, and issued after obtaining a certificate from a bank which is a stock issuer in accordance with the law.
- The shares issued by the Company may be exempted from printing stocks, and it is required contact the securities centralized custodial institution to register the issued shares, and proceed in accordance with the regulations of the institution.
- Article 7 The Company's registered stocks shall not be transferred within 60 days before each

regular shareholders' meeting, within 30 days before the shareholders' special meeting, or within 5 days before the company's decision to distribute dividends and bonus or other benefits.

Chapter III Shareholders' Meeting

- Article 8 There are two types of shareholders' meeting, namely, regular meeting and special meeting. The regular meeting shall be convened within six months after the close of each fiscal year, and the board of directors notifies shareholders 30 days before convening. Whereas, special meetings are held 15 days before convening that shareholders are informed of the date/place and reason of meeting and announced. The Shareholders' Meeting notice is made in electronic way upon counterparty's approval, while shareholders of less than 1,000 nominated shares shall be informed of by announcement.
- Article 9 When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall send a proxy by presenting the Power of Attorney printed by the Company, with specified scope of authorization, to attend.
- Article 10 A resolution is passed at the shareholders' meeting by a majority of the shareholders present who represent more than half of the total number of its outstanding shares, unless otherwise specified in the Company Act. The Company's shareholders shall exercise voting rights in electronic way and related matters are subject to law and regulations.
- Article 10-1 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and subject to Article 183 of the Company Act.
- Article 11 A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Chapter IV Director & Supervisor

- Article 12 The Company shall appoint 5 to 9 directors with behavioral competence in the Shareholders' Meeting for a three-year term and may be re-elected after the term. The number of appointed directors earlier mentioned shall have no less than 2 independent directors and the same shall not be less than one fifth of the total number of directors of the Company. The election of the directors is done using the candidates nomination system, and the shareholders shall elect the directors from among the nominees for director. The relevant matters of acceptance and announcement of candidates shall be operated according to Article 192-1 of the Company Act. The election of Directors adopts uni-nominal accumulative vote and the shareholdings of all directors are subject to the Securities and Exchange Act and related laws and regulations.
- Article 12-1 The board of directors meeting shall be convened by season with subject specified in the notice given to all directors 7 days beforehand; except for emergency which to be convened at any time. The meeting notice shall be given in written, fax, E-mail and other ways.
- Article 13 The board of directors is organized by directors, which shall have more than two third of the directors present, with the consent of more than half of the directors for one director as the chairman, who performs all matters on behalf of the Company pursuant to law, ordinance, the Articles of Incorporation, the resolution passed in the Shareholders' Meeting and the Board of Directors Meeting.
- Article 13-1 Upon the proportion of directors who cannot attend the meeting reaches one third of all, the Board of Directors shall convene the Special Shareholders' Meeting for make-up election in sixty days and the term is subject to the remaining period of original office until expiration.

- Article 14 When the Chairperson of the Board is unable to exercise the powers of the Chairperson, the proxy appointment is subject to the Company Act. When the director can't attend the BOD meeting, he/she shall present the Power of Attorney, listing the scope of authorization relevant to the subject of the meeting and assign another director to attend the BOD meeting in his/her behalf. Directors who live overseas shall appoint another shareholder who live domestically to attend the Meeting, but shall apply for registration with the competent authority, same does the change.
- Article 15 The travelling expense disbursed by all directors shall be paid off regardless of profit or loss and the amount is determined in the Board of Directors Meeting. The remuneration of the Chairperson is determined by virtue of his involving with operation and contribution, also referring to the level across peer industry in the board of Directors Meeting.
- Article 16 In accordance with Article 14 of the Securities and Exchange Act, the Company sets up the Audit Committee composed of all independent directors, which is responsible for the execution of the Company Act, the Securities and Exchange Act and other ordinances governing the dutiful powers of supervisors. The member of the Audit Committee, exercise of duty and powers and other matters to follow are all subject to related laws and regulations and the Articles of Organization is alternatively determined by the Board of Directors.
The Company shall set up the Remuneration/Compensation Committee or other functional committee members as required by laws, regulations or for business.
- Article 16-1 (Deleted).
- Article 16-2 During the term of office of the Directors, the company may authorize the Board of Directors to purchase liability insurance for the scope of the business involved and the liability in accordance with the law for the directors.
- Chapter V Manager and Staff
- Article 17 The Company may have several managers whose appointment and removal and remuneration shall be subject to the Company Act.
- Article 18 (Deleted)
- Chapter VI Final Account
- Article 19 The Company provides the period spanning from January 1 to December 31 of every year as the fiscal year.
- Article 20 The Company shall, at the end of each fiscal year, submit to its General Shareholders Meeting for their ratification of (1) the annual business report, (2) the financial statements, and (3) the proposal for appropriation of profit and remedy in the event of loss proposal and other tables and lists.
- Article 21 The Company's net profit before tax before deduction of salary/remuneration to employee and directors shall have no less than 1% allocated for employees' compensation and no more than 3% for directors' reward. However, in case of any accumulated losses, the Company shall reserve the compensation amount in advance. The preceding salary/compensation to employee shall be paid in shares or cash, and the payee shall include employee of subsidiaries by certain conditions.
In case of any surplus presented in the general annual settlement of the Company, the Company shall pay taxes and compensate losses over previous years, followed by 10% for legal surplus reserve, unless such reserve has accrued to reach total capital. Thereafter, the Company shall appropriate or reverse special surplus reserve depending on operation, laws and regulations, as well as undistributed earnings for the preceding year plus adjustments on undistributed earnings for the year as distributable earnings, followed by the earning distribution proposal developed by the Board of Directors and whenever all or partial dividends are distributed by issuing new

shares, the matter shall be proposed to the General Shareholders' Meeting for approval by resolution.

For the under-reported amount among "net increase in fair value of investment property accumulated in the previous period" and "net deduction of other equity accumulated in the previous period", the Company's lawful provision of special surplus reserve shall start with the same amount of special surplus reserve from undistributed surplus for the previous period, followed by classifying net profit after tax for the period plus items other than the same into undistributed surplus for the period.

The Company authorizes more than two third of the Board of Directors as the attendant pursuant to Article 240 of the Company Act and approves to allocate all or partial dividends in cash and reports it in the General Shareholders' Meeting.

Article 21-1 The company is currently at a growth stage; in consideration of sustainability and long-term development, the surplus allocation should take into account the future funding needs of the Company and meeting shareholders' needs for cash inflows. If the company distributes its surplus after the annual final accounts, the annual cash dividends paid shall not be less than 20% of the net profit after tax and annual stock dividends shall not be less than 10% of total cash/share dividends appropriated.

Chapter VII Supplementary Provisions

Article 22 Any matters uncovered in this Articles of Incorporation shall be subject to the Company Act and related laws and regulations.

Article 23 The Articles of Incorporation was established on February 1, 1983. The first amendment was on December 17, 1984. The second amendment was on February 15, 1986. The third amendment was on June 6, 1986. The fourth amendment was on March 12, 1987. The fifth amendment was made on December 23, 1987. The sixth amendment was on May 25, 1988. The seventh amendment was made on August 1, 1989. The eighth amendment was made on January 8, 1990. The ninth amendment was on July 22, 1990. The tenth amendment was on August 31, 1990. The eleventh amendment was on October 16, 1991. The twelfth amendment was on December 5, 1991. The thirteenth amendment was on December 5, 1991. The fourteenth amendment was on March 28, 1991. The fifteenth amendment was on July 3, 1992. The sixteenth amendment was on July 29, 1992. The seventeenth amendment was on May 19, 1994. The eighteenth amendment was on June 3, 1995. The nineteenth amendment was on April 29, 1996. The twentieth amendment was on June 27, 1997. The 21st amendment was on June 1, 1998. The 22nd amendment was on April 1, 1999. The 23th amendment was on May 24, 2000. The 24th amendment was on June 19, 2001. The 25th amendment was on June 21, 2002. The 26th amendment was on June 25, 2003. The 27th amendment was on June 21, 2004. The 28th amendment was on May 13, 2005. The 29th amendment was on June 28, 2005. The 30th amendment was on June 26, 2006. The 31st amendment was on June 25, 2007. The 32nd amendment was on June 27, 2008. The 33th amendment was on June 22, 2009. The 34th amendment was on June 21, 2010. The 35th amendment was on June 27, 2011. The 36th amendment was on June 27, 2012. The 37th amendment was on June 10, 2013. The 38th amendment was on June 13, 2016. The 39th amendment was on June 28, 2017. The 40th amendment was on June 21, 2018. The 41st amendment was on June 28, 2019. The 42nd amendment was on July 23, 2021.

THYE MING INDUSTRIAL CO., LTD.

Chairperson: CHEN, LI-MING

THYE MING INDUSTRIAL CO., LTD.

Operational Procedures for Acquisition and Disposal of Assets

Date of establishment:	July 29, 1992
1st amendment:	May 29, 1995
2nd amendment:	April 27, 1996
3rd amendment:	May 2, 1997
4th amendment:	November 23, 1999
5th amendment:	April 8, 2003
6th amendment:	April 5, 2004
7th amendment:	March 23, 2007
8th amendment:	June 27, 2012
9th amendment:	June 17, 2014
10th amendment:	June 13, 2016
11th amendment:	June 28, 2017
12th amendment:	June 28, 2019

- Article 1 Purpose of establishment and legal basis
These Regulations are established in order to protect the assets, implement information disclosure and enable the compliance when this Corporation is acquiring or disposing assets. These Regulations were handled in the relevant accordance with the relevant provisions in “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” authorized for its establishment by Article 36-1 of Securities and Exchange Act.
- Article 2 When the acquiring or disposing assets, this Corporation shall conduct the relevant matters in accordance with these Regulations. Provided, where financial laws or regulations provide otherwise, such provisions shall govern.
- Article 3 The scope of assets
1. Investments in stocks, government bonds, corporate bonds, government bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 2. Real property (including land, houses and buildings, and investment property) and equipment.
 3. Memberships.
 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 5. Right-of-use assets.
 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 7. Derivatives.
 8. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 9. Other major assets.
- Article 4 Definition
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law; refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts,

or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Investments in the mainland China: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. OTC venue: "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5

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

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

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

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When auditing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information,

as the basis for issuance of the appraisal report or the opinion.

4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5-1 (Deleted)

Article 6 Implementations and Amendments

This Corporation's Procedures for the Acquisition and Disposal of Assets shall be adopted or amended with the approval by one-half or more of all audit committee members and submission to the board of directors for a resolution.

If approval of one-half or more of all audit committee members 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 of directors meeting. These Resolutions are recognized by the Board of Directors' meeting, and submitted to Shareholders' meeting for approval. The same applies when the procedures are amended.

The terms "all audit committee members" in Regulations and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 7 Regulations Governing the Acquisition and Disposal of Assets

Where this Corporation is acquiring or disposing assets, the applicant unit shall handle the transaction in accordance with the actual demand conditions, or the original user unit shall submit a dedicated report for explanations, then submit to relevant unit. After consulting, comparing and negotiating the price, the transaction will be submitted to the chairman of the board for approval. If the transaction amount reaches more than the amount stipulated in Article 10, it will be submitted to the board of directors for approval. The total amount of this Corporation's purchases of real estate not for business use and its right-to-use assets shall not exceed the net worth of this Corporation, and the total amount of purchases of real estate not for business use by each subsidiary of this Corporation shall not exceed the net worth of each subsidiary.

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of this Corporation's paid-in capital or NT\$300 million or more, this Corporation, 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 prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC

Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 8

Procedures for the acquisition and disposal of securities

The purchase and sale of the Company's long-term and short-term investments in securities must be evaluated by the Finance Department and approved by the General Manager and the Chairman of the Board of Directors before they can be made. Each transaction amounting to more than the amount specified in Article 14 shall be submitted to the Board of Directors for approval. The total amount of this Corporation's investment in marketable securities shall not exceed the net worth of this Corporation and the amount of investment in individual marketable securities shall not exceed the net worth of this Corporation, and the total amount of investment in marketable securities of each subsidiary of this Corporation shall not exceed the net worth of each subsidiary and the amount of investment in individual marketable securities shall not exceed the net worth of each subsidiary.

When acquiring or disposing of securities, this Corporation 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 this Corporation's paid-in capital or NT\$300 million or more, this Corporation 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 an accountant is required to use an expert report, he or she should follow the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). 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).

Article 9

Regulations Governing the Acquisition and Disposal of Memberships or Intangible Assets

When this Corporation acquires or disposes of an intangible asset or its right-to-use asset or membership card, the management department shall resolve the terms and price of the transaction with reference to the fair market value, international or market practice, useful life and impact on this Corporation's technology and business, and prepare an appraisal report, which shall be approved by the president and chairman of the board of directors.

Where this Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the the matter to facilities transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, this Corporation shall engage a certified this Corporation accountant prior to the date of occurrence of the event to render an opinion on the joint of the the matter to price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 10

Where this Corporation acquires or disposes of assets through court auction procedures,

the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 11 Procedures for related party transactions

1. When this Corporation engages in any acquisition or disposal of assets from or to a related party, in addition to complying with Article 7 of the Regulations Governing the Acquisition and Disposal of Assets and ensuring that the following necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of this Corporation's total assets, this Corporation shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions.

The calculation of the transaction amounts under preceding Paragraph, be made in accordance with Article 9-1 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. Evaluation and the operating procedures

When this Corporation 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 percent or more of paid-in capital, 10 percent or more of this Corporation'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 domestic money market funds, this Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors:

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

The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 10, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the audit committee for approval and to the Board of Directors for recognition in accordance with the provisions are exempt from counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such

matters when the transaction is within NT\$100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

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

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

3. Evaluation on the reasonableness of the transaction cost

(1) When acquiring real property or right-of-use assets thereof from a related party, this Corporation shall evaluate the reasonableness of the transaction costs by the following means:

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

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

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

When acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article, this Corporation shall also engage a CPA to check the appraisal and render a specific opinion.

Where this Corporation acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 2 of this Article, and the preceding three subparagraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on this Corporation's own land or on rented land.

4. The real property right-of-use assets for business use are acquired by this Corporation with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(2) When the results of this Corporation's appraisal conducted in accordance with Paragraph 3, Subparagraphs (1), Items 1 and 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 3, Subparagraph (3) of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions

on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

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

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

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

2. Where this Corporation acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

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

(3) Where this Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph 3, Subparagraphs (1) and (2) of this Article are uniformly lower than the transaction price, the following steps shall be taken.

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

2. Audit committee shall comply with Article 218 of the Company Act.

3. Actions taken pursuant to Items 1 and 2 of this Article shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

This Corporation and a public company accounted for using the equity method

by this Corporation have set aside a special reserve under the aforementioned may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

When this Corporation obtains real property or right-of-use assets thereof from a related party, it shall also comply with Items 1 and 2 of this Subparagraph if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 12 Engaging in Derivatives Trading

1. When engaging in derivatives trading, this Corporation shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into their Regulations
 - (1) Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
 - (2) Risk management measures.
 - (3) Internal audit system.
 - (4) Regular evaluation methods and the handling of irregular circumstances.
2. When engaging in derivatives trading, this Corporation shall adopt the following risk management measures
 - (1) Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
 - (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
 - (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be sent to the senior management authorized by the Board of Directors.
 - (5) Other important risk management measures.
3. When engaging in derivatives trading, its Board of Directors, the Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within this Corporation's permitted scope of tolerance.Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by this Corporation.

- (2) When monitoring the transactions and profit and loss situation, this Corporation shall take necessary countermeasures and report to the Board of Directors immediately if any irregularities are found, and the independent directors shall present and express their opinions.

This Corporation shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

4. When engaging in derivatives trading, this Corporation shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Paragraph 2, Item (4), and Paragraph 3, Subparagraph 1, Item (2), and Subparagraph 2, Item (1) shall be recorded in detail in the log book.

This Corporation's internal audit personnel periodically makes a determination of the suitability of internal controls on derivatives and conducts a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. The Audit Committee shall be notified in writing of any material non-compliance.

Article 13 Procedures for mergers and consolidations, splits, acquisitions, and assignment of shares

1. Evaluation and the operating procedures

- (1) Where this Corporation conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by this Corporation of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which this Corporation directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- (2) When participating in a merger, demerger, acquisition, or transfer of shares, this Corporation shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion under Paragraph 1, Subparagraph (1) of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the estimated date of the next shareholders meeting.

2. Other matters required to be noted

- (1) Dates for the Board of Directors meeting

A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the

transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent securities authorities is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the competent securities authorities' grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a full written record of the following information and retain it for 5 years for reference shall be prepared. And within 2 days counting inclusively from the date of passage of a resolution by the board of directors, the information set out in Items 1 and 2 shall be reported (in the prescribed format and via the Internet-based information system) to the competent securities authority for recordation.

1. Basic information of the participants: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, this Corporation shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Paragraph.

- (2) Prior confidentiality agreement

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

- (3) Principles for determining and changing the share exchange ratio or acquisition price

Where conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors meetings of both parties to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholder's meeting for deliberation and passage. In principle, the share exchange ratio or acquisition price may not be arbitrarily altered unless under the below-listed circumstances, and the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares shall be stipulated:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects this Corporation's

financial operations.

3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (4) Contents to be stated in the contract
- The contract for participation by this Corporation in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (5) A change in the number of companies participating in the merger, demerger, acquisition, or transfer of shares.
- After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (6) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, this Corporation shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraph 2, Subparagraphs (1), (2) and (5) of this Article.

Article 14 Procedures for public disclosure of information

1. Items to be announced or filed and the standards for announcement or filing
- Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a

related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of this Corporation's paid-in capital, 10 percent or more of the total assets, or NT\$300 million or more; provided, this shall not apply to 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.

- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by this Corporation.
- (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.
- (5) Where land is acquired under an arrangement on engaging others to build on this Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount this Corporation expects to invest in the transaction reaches NT\$500 million.
- (6) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 1. Trading of domestic government bonds.
 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions need not be counted toward the transaction amount.

2. Public announcement and regulatory filing procedures

- (1) This Corporation shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by this Corporation and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month.
- (2) When this Corporation at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is

required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

- (3) When acquiring or disposing of assets, this Corporation shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at this Corporation, where they shall be retained for 5 years except where another act provides otherwise.
- (4) Where any of the following circumstances occurs with respect to a transaction that this Corporation has already publicly announced and reported in accordance with Paragraph 1 of this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event.
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 3. Change to the originally publicly announced and reported information.

Article 15 Control procedures for the acquisition and disposal of assets by subsidiaries

1. The subsidiaries of this Corporation shall establish "Regulations Governing the Acquisition or Disposal of Assets" in accordance with the provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" and, after approval by the audit committee and/or the Board of Directors and/or shareholders' meeting for approval with resolution; the same applies when the procedures are amended.
2. When intending to acquire or dispose assets, the subsidiaries of this Corporation shall conduct the relevant matters in accordance with Internal Control System and Regulations Governing the Acquisition and Disposal of Assets.
3. This Corporation's subsidiaries shall conduct their own inspections to determine whether they have complied with the provisions of their own procedures, and this Corporation's auditing unit shall review the subsidiaries' self-inspection reports.
4. If the acquisitions and disposals of assets by a subsidiary that is not itself a public company in Taiwan reached the standard for public announcement and regulatory filing in Article 10 of these Regulations, the parent company shall do so.
5. The paid-in capital or total assets of this Corporation shall be the standard applicable to a subsidiary in determining whether, relative to 20% of the paid-in capital or 10% of the total assets, it reaches a threshold requiring public announcement and regulatory filing.

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

THYE MING INDUSTRIAL CO., LTD.

Rules of Procedure for Shareholders Meetings

Date of Establishment: 1992.04.08

Date of Amendment: 1998.06.01

Date of Amendment: 2002.03.29

Date of Amendment: 2004.03.29

Date of Amendment: 2012.06.27

Date of Amendment: 2014.06.17

Date of Amendment: 2017.06.28

- Article 1 The Company's shareholders' meetings shall be conducted in accordance with these rules unless otherwise provided by law.
- Article 1-1 The Shareholders referred to in these Rules shall mean the Shareholders themselves as shown in the Register of Members and the proxies appointed by the Shareholders to attend the meeting.
- Article 2 This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
This Corporation 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.
This Corporation 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 pre-printed ballots shall also be furnished.
- Article 2-1 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 3-1 The shareholders of the Company shall have one vote per share. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. However, the exercise of voting rights is still calculated on the basis of the shares held by them on a consolidated basis. If there are more than two proxies in the preceding paragraph, the proxies shall exercise their voting rights jointly. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 3-2 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. With the exception of a trust enterprise or a shareholder 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. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the 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.

Article 4 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 5 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 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. 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.

Article 6 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. 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 of directors. The chairman shall not adjourn the meeting without a resolution before the conclusion of the first two scheduled agenda items (including the temporary motion). If the chairman violates the rules of procedure and adjourns the meeting, a majority of the shareholders present may vote to elect a chairman to continue the meeting. After the meeting is adjourned, the shareholders are not allowed to elect another chairman to continue the meeting at the same place or another venue.

Article 6-1 In addition to the motions listed on the agenda, other motions or amendments or substitutions to the original motions proposed by shareholders should be seconded by other shareholders, and the shareholding of the proposer together with the seconder

- should reach one percent of the total number of issued common shares.
- Article 7 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 or a proxy 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. 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 violation.
- Article 8 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.
- Article 9 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. 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.
- Article 10 After an attending shareholder or a proxy has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 11 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. No issue will be discussed or voted on unless it is a motion.
- Article 12 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 this Corporation.
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.
- Article 12-1 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 and the numbers of votes with which they were elected.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 13 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. In the event of a vote, the Chairman or his designee shall announce the total number of votes of shareholders present on a case-by-case basis. If there is no dissenting opinion from all shareholders present, the motion shall be deemed to be passed and shall have the same effect as a poll; if there is dissenting opinion, a poll shall be taken in accordance with the preceding provisions.
- Article 14 During the meeting, the chairman may call a break at his discretion.
- Article 15 When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. 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.

- Article 16 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 armband bearing the word “Proctor” or uniform.
- Article 17 Matters not provided for in these Rules shall be governed by the Company Act, the Company’s Articles of Incorporation and relevant laws and regulations.
- Article 18 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

THYE MING INDUSTRIAL CO., LTD.

Shareholdings of Directors

1. The Company has issued a total of 167,318,534 shares of common stock and the minimum number of shares that all directors should hold is 10,039,112 shares.
2. Directors held shares as follows: (The date for suspension of share transfer was April 16, 2022)

Position	Name	Number of shares held upon elected		Number of shares held on the suspension-of-share-transfer day	
		Shares	Ratio	Shares	Ratio
President	TaiYung Investment Company Ltd. Representative: CHEN, LI-MING	10,560,290	5.05%	8,472,232	5.06%
Director	CHEN, CHANG-HAO	775,925	0.37%	620,740	0.37%
Director	Tailin Investment Company Ltd. Representative: CHEN, CHI-LIN	32,652,090	15.61%	26,708,913	15.96%
Director	Tailin Investment Company Ltd. Representative: CHOU, CHUNG-FA				
Director	Jin Jun Investment Company Ltd. Representative: CHEN, HAN-WEN	11,195,695	5.35%	10,308,443	6.16%
Director	Mao Shen Investment Company Ltd. Representative: LEE, MAO-SHEN	17,568,446	8.40%	16,731,356	9.99%
Independent Director	CHEN, YI-MING	0	—	0	—
Independent Director	LEE, WEN- FA	30,250	0.01%	24,200	0.01%
Independent Director	SU, KUO-CHEN	41,325	0.02%	33,060	0.02%
Total held by all Directors		72,824,021	34.82%	62,898,944	37.59%