

Stock Code: 1217

AGV Products Corporation

2022 Annual General Meeting

Agenda Handbook

June 24, 2022

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AGV Products Corporation
2022 Annual General Meeting
Procedure

- I. Announcing the number of shares represented by the attending shareholders to commence the meeting
- II. The Chairperson's opening speech
- III. Matters to be reported
- IV. Matters to be ratified
- V. Matters to be discussed
- VI. Election matters
- VII. Other motions
- VIII. Impromptu motions
- IX. Adjournment

Agenda of AGV Products Corporation's 2022 Annual General Meeting

I.Date: 9 a.m., June 24 (Friday), 2022

II.Location: Alishan Ballroom, Nice Prince Hotel

(5F., No. 600, Zhongxiao Rd., East Dist., Chiayi City)

III.Shareholders meeting will be held by means of : physical shareholders meeting

IV.The Chairperson's opening speech

V.Matters to be reported:

(I)2021 Business Report of the Company.

(II)The Audit Committee's review report on the 2021 financial statements.

(III)Report on the distribution of remuneration to directors and employees for 2021.

(IV)Report on private placement of common stocks for cash capital increase for 2021

VI.Matters to be ratified:

(I)Proposal for the 2021 financial statements.

(II)Proposal for the 2021 appropriation of earnings.

VII.Matters to be discussed:

(I)Proposal for amendments to the "Articles of Incorporation"

(II)Proposal for amendments to the "Procedure for Acquisition or Disposal of Assets"

(III)Proposal of common share issuing by private placement of cash capital increase.

VIII.Election matters:

(I)Proposal for reelection of all directors.

IX.Other motions:

(I)Proposal for termination of the non-competition restriction for new directors

X.Impromptu motions

XI.Adjournment

Matters to be reported

I. The 2021 business report of the Company ready for approval:

Business report attached (please refer to Pages 27~32 of the Handbook)

II. The Audit Committee's review report on the 2021 financial statements ready for approval:

Audit Committee's review report attached (please refer to Page 33 of the Handbook)

III. Report on the distribution of remuneration to directors and employees for 2021 ready for approval:

The profit of the Company in 2021 was NTD 260,144,555 (pre-tax profit before deducting remuneration distributed to employees and directors). According to the Company's Articles of Incorporation, 1% thereof, i.e. NTD 2,601,000, is distributed as remuneration to directors and 2% thereof, i.e. NTD 5,204,000, is distributed as remuneration to employees. All remunerations are distributed in cash.

IV. Report on private placement of common stocks for cash capital increase in 2021 ready for approval:

The Company's 2021 Annual General Meeting resolved that it shall not exceed the range of 100,000,000 shares and may be carried out in batches within one year of the date of the resolution of the meeting. Said private placement has not been carried out so far. The Board of Directors meeting was resolved on May 9, 2022 to approve that it should not be continued within the residual period.

Matters to be ratified

Motion No. 1 Proposed by the board of directors
Proposal: Ratification of the proposal for the 2021 financial statements.

Description: I. The Company's 2021 business report and financial statements (including the consolidated financial statements) have been reviewed by the Audit Committee and resolved by the Board of Directors.
II. Said financial statements were audited and attested by Crowe (TW) CPAs.
III. For the attached 2021 business report, independent auditors' report and financial statements (including consolidated financial statements), please refer to Pages 27–32 and Pages 34–57 of the Handbook.

Resolution:

Motion No. 2 Proposed by the board of directors
Proposal: Ratification of the statement for 2021 appropriation of earnings.

Description: I. The Company's net profit after tax in 2021 was NTD 201,182,206.
II. It proposes to pay out NTD 148,354,001 from the distributable earnings as cash dividends. The payout is equivalent to NT\$0.3 per share. The amount of cash dividend receivable by shareholders will be truncated to the nearest dollar. Fractional amounts of less than NT\$1 will be summed up and recognized by the Company as other income. The Board of Directors shall be authorized to determine the ex-dividend date, date of payment and other related matters, once the proposal has been resolved in the annual general meeting.
III. In the event that the number of outstanding shares and payout ratio are changed due to the factors, such as repurchase of the Company's shares, it is proposed to authorize the Chairman of Board to deal with it with full power.
IV. Attached with 2021 appropriation of earnings. (Please refer to Page 58 of the Handbook.)

Resolution:

Matters to be discussed

Motion No. 1

Proposed by the board of directors

Proposal: Resolution of the proposal for amendments to the “Articles of Incorporation”

Description: I. Amendment is made in compliance with laws and regulations and actual needs.

II. The Comparison Table of Amended Provisions is as follows:

Amended Provision	Current Provision	Description
<p>Article 18 The Company shall appoint seven to nine Directors, and the number of Independent Directors among said Directors shall not be less than three and shall not be less than <u>one-third</u> of the total number of the Directors. The candidate nomination system shall be adopted for the election of all Directors, and the method of nomination shall be subject to Article 192-1 of the Company Act. The term of office of the Directors is three years and may be renewed by reelection in subsequent elections. The total number of registered shares holding by all Directors shall be subject to the regulations specified by the competent authority.</p>	<p>Article 18 The Company shall appoint seven to nine Directors, and the number of Independent Directors among said Directors shall not be less than three and shall not be less than <u>one-fifth</u> of the total number of the Directors. The candidate nomination system shall be adopted for the election of all Directors, and the method of nomination shall be subject to Article 192-1 of the Company Act. The term of office of the Directors is three years and may be renewed by reelection in subsequent elections. The total number of registered shares holding by all Directors shall be subject to the regulations specified by the competent authority.</p>	<p>In response to laws and regulations and actual needs.</p>
<p>Article 12-1 <u>The Company may convene a shareholders’ meeting by means of video conferencing or other methods promulgated by the central competent authority.</u> <u>The shareholders’ meeting held</u></p>		<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p><u>via video conferencing is subject to prescriptions provided for by the competent authority, including the prerequisites, procedures, and other compliance matters, if any.</u></p>		
<p>Article 30-1 When there are surplus earnings after closing of the accounts in a fiscal year, in addition to withholding payable taxes and making up the losses from past years, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve, <u>and with respect to the reductions of shareholders' equity and net increase in the fair value of investment-linked real property occurring in the current year, a special reserve shall be provided or reversed from the net profit after tax plus any items other than the net profit after tax in the current year.</u> After the dividends to be allocated in the current distribution year of preferred shares and the accumulated undistributed dividends in previous years are distributed, the Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution of the surplus, excluding the part to be retained. <u>The proposal for the Company's</u></p>	<p>Article 30-1 When there are surplus earnings after closing of the accounts in a fiscal year, in addition to withholding payable taxes and making up the losses from past years, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve and a special reserve shall be provided or reversed with respect to the reductions of shareholders' equity in the current year. After the dividends to be allocated in the current distribution year of preferred shares and the accumulated undistributed dividends in previous years are distributed, the Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution of the surplus, excluding the part to be retained.</p>	<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p><u>stock dividends or legal reserve distributed from earnings or capital surplus to be paid in cash, in whole or in part, shall be subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to a shareholders' meeting.</u></p> <p>The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distribute dividends in the form of stock and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed by cash at a rate not less than 10% (included) than the total distributable dividends in the current year. Dividends in cash will not be distributed if the amount of the dividends distributable per share is less than NTD 0.1 and dividends in</p>	<p>The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distribute dividends in the form of stock and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed by cash at a rate not less than 10% (included) than the total distributable dividends in the current year. Dividends in cash will not be distributed if the amount of the dividends distributable per share is less than NTD 0.1 and dividends in</p>	

Amended Provision	Current Provision	Description
stock will be distributed as a replacement.	stock will be distributed as a replacement.	
<p>Article 33 The Articles of Incorporation were established on June 14, 1971. The 1st amendments were made on August 17, 1972.</p> <p>.....</p> <p>The 38th amendments were made on June 27, 2019. <u>The 39th amendments were made on June 24, 2022.</u></p>	<p>Article 33 The Articles of Incorporation were established on June 14, 1971. The 1st amendments were made on August 17, 1972.</p> <p>.....</p> <p>The 38th amendments were made on June 27, 2019.</p>	Added the dates of amendments.

III. For the original “Articles of Incorporation”, please refer to Pages 59–69 of the Handbook.

Resolution:

Motion No. 2 Proposed by the board of directors

Proposal: Resolution of the proposal for amendments to the “Procedure for Acquisition or Disposal of Assets”.

Description: I. Amendment is made in compliance with laws and regulations and actual needs.

II. The Comparison Table of Amended Provisions is as follows:

Amended Provision	Current Provision	Description
<p>Article 5: Ask professional appraisers for an appraisal report: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p>	<p>Article 5: Ask professional appraisers for an appraisal report: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p>	In response to laws and regulations and actual needs.

Amended Provision	Current Provision	Description
<p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange 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.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related</p>	<p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange 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.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related</p>	

Amended Provision	Current Provision	Description
<p>parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall <u>comply with the self-discipline standards of affiliated associations and the following:</u></p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. 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.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>adequacy</u> 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.</p> <p>IV. They shall issue a statement</p>	<p>parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. 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.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> 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.</p> <p>IV. They shall issue a statement</p>	

Amended Provision	Current Provision	Description
<p>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>	<p>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>	
<p>Article 6: Appraisal procedure - acquisition or disposal of real property, equipment or right-of-use assets thereof I. When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, 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 operating purpose, the price thereof shall be decided in the manner and based on the reference researched and set by the project team consisting of the dedicated supervisor and handlers. The research conclusion and trading conditions (including price</p>	<p>Article 6: Appraisal procedure - acquisition or disposal of real property, equipment or right-of-use assets thereof I. When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, 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 operating purpose, the price thereof shall be decided in the manner and based on the reference researched and set by the project team consisting of the dedicated supervisor and handlers. The research conclusion and trading conditions (including price and payment terms, etc.)</p>	<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p>and payment terms, etc.) shall be submitted for approval in the reporting system and resolved pursuant to the Company's regulations governing level of authority.</p> <p>II. Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser. The appraisal report shall further comply with the following provisions:</p> <p>(I) 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 are any subsequent changes to the terms and conditions of the transaction.</p>	<p>shall be submitted for approval in the reporting system and resolved pursuant to the Company's regulations governing level of authority.</p> <p>II. Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser. The appraisal report shall further comply with the following provisions:</p> <p>(I) 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 are any subsequent changes to the terms and conditions of the transaction.</p> <p>(II) Where the transaction</p>	

Amended Provision	Current Provision	Description
<p>(II)Where the transaction amount is NTD 1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>amount is NTD 1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	

Amended Provision	Current Provision	Description
(Omitted)	(Omitted)	
<p>Article 7: Appraisal procedure - acquisition or disposal of securities:</p> <p>I. 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.</p> <p>II. Where any of the following circumstances are met, and the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser:</p> <p>(I) Acquisition or disposal of securities not traded at securities</p>	<p>Article 7: Appraisal procedure - acquisition or disposal of securities:</p> <p>I. 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.</p> <p>II. Where any of the following circumstances are met, and the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF:</u></p> <p>(I) Acquisition or disposal of securities not traded at securities</p>	<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p>exchanges or over-the-counter venues</p> <p>(II) Acquisition or disposal of private placement securities</p> <p>(Omitted)</p>	<p>exchanges or over-the-counter venues</p> <p>(II) Acquisition or disposal of private placement securities</p> <p>(Omitted)</p>	
<p>Article 8: Appraisal procedure - acquisition or disposal of intangible assets or right-of-use assets thereof</p> <p>Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser.</p>	<p>Article 8: Appraisal procedure - acquisition or disposal of intangible assets or right-of-use assets thereof</p> <p><u>1.</u> Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser.</p> <p><u>2.</u> The CPA shall handle matters <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>In response to laws and regulations and actual needs.</p>
<p>Article 12: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or</p>	<p>Article 12: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or</p>	<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p>right-of-use assets thereof from or to a related party and the transaction amount reaches more than 20% of the Company's paid-in capital, more than 10% of the Company's total assets, or more than NTD 300 million, except for the trading of domestic government bonds or bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and resolved by the Board of Directors:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets</p> <p>II. The reason for choosing the related party as a trading counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14</p>	<p>right-of-use assets thereof from or to a related party and the transaction amount reaches more than 20% of the Company's paid-in capital, more than 10% of the Company's total assets, or more than NTD 300 million, except for the trading of domestic government bonds or bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and resolved by the Board of Directors:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets</p> <p>II. The reason for choosing the related party as a trading counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14</p>	

Amended Provision	Current Provision	Description
<p>herein.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction and the reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p>	<p>herein.</p> <p>IV. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction and the reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>VII. 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 Paragraph 2 of Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been</u></p>	

Amended Provision	Current Provision	Description
<p>When the types of transactions listed below are to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Paragraph 1, subparagraph 4 of Article 10, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of right-of-use assets of real property held for business use. <p>When the Company submits the report for discussion to the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to</p>	<p><u>obtained pursuant to the Regulations, and approved by the Audit Committee and resolved by the Board of Directors need not be counted toward the transaction amount.</u></p> <p>When the types of transactions listed below are to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Paragraph 1, subparagraph 4 of Article 10, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of right-of-use assets of real property held for business use. <p>When the Company submits the report for discussion to the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to</p>	

Amended Provision	Current Provision	Description
<p>or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>The regulations of Paragraphs 4 and 5 of Article 35 herein shall apply <i>mutatis mutandis</i> for proposals to be approved by a majority of all Audit Committee members and submitted to the Board of Directors in accordance with Paragraph 1.</p> <p><u>When transactions pursuant to Paragraph 1 are to be conducted between the Company and its subsidiary, which is not a domestic public company, and the transaction amount reaches more than 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters prescribed have been approved by the shareholders' meeting; However, this requirement does not apply to transactions between the Company and its subsidiaries, or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be done in accordance with Paragraph 2 of Article 29, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current</u></p>	<p>or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.</p> <p>The regulations of Paragraphs 4 and 5 of Article 35 herein shall apply <i>mutatis mutandis</i> for proposals to be approved by a majority of all Audit Committee members and submitted to the Board of Directors in accordance with Paragraph 1.</p>	

Amended Provision	Current Provision	Description
<p><u>transaction. Items that have been submitted to a shareholders' meetings, and approved by the Audit Committee and resolved by the Board of Directors pursuant to the Regulations need not be counted toward the transaction amount.</u></p>		
<p>Article 29: Information disclosure procedure: Under any of the following circumstances, 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: (Subparagraphs 1 to 6 omitted) 7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the paid-in capital or NTD 300 million. However, this shall not apply in the following circumstances: (I) Trading of domestic government bonds <u>or foreign government bonds issued by a</u></p>	<p>Article 29: Information disclosure procedure: Under any of the following circumstances, 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: (Subparagraphs 1 to 6 omitted) 7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of the paid-in capital or NTD 300 million. However, this shall not apply in the following circumstances: (I) Trading of domestic government bonds.</p>	<p>In response to laws and regulations and actual needs.</p>

Amended Provision	Current Provision	Description
<p><u>foreign central government with a sovereign rating not lower than the sovereign rating of Taiwan.</u></p> <p>(II)Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of <u>foreign central government bonds or ordinary corporate bonds and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription and sell back of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in</u></p>	<p>(II)Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p>	

Amended Provision	Current Provision	Description
<p>accordance with the rules of the Taipei Exchange.</p> <p>(III)Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>(III)Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
<p>Article 36 Establishment and amendment: Date of the 10th amendments: June 27, 2019 <u>Date of the 11th amendments: June 24, 2022.</u></p>	<p>Article 36: Establishment and amendment: Date of establishment: May 1995 Date of the 10th amendments: June 27, 2019</p>	<p>Added the dates of amendments.</p>

III.(For the original “Procedure for Acquisition or Disposal of Assets”, please refer to Pages 70–102 of the Handbook.)

Resolution:

Motion No. 3

Proposed by the board of directors

Proposal: Resolution to the proposal for common share issuing by private placement of cash capital increase.

Description: I. To increase working capital, capital expenses and respond to the future development needs of the Company, the Company plans to issue common shares by private placement of cash capital increase while taking the timeliness, convenience and issuing cost of financing into consideration.

II. The common shares issuing by private placement of cash capital increase shall be conducted within the limit of 100,000,000 shares of private placement.

III. According to Article 43-6 of the "Securities and Exchange Act" and provisions of the "Directions for Public Companies Conducting Private Placements of Securities," matters related to the private placement are as follows:

1. The basis and reasonableness for setting of private placement price:

The reference price of private placement shall be calculated based on the higher of the following two calculations:

(1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

(2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The price per share fixed for privately placed common shares may not be lower than 80 percent of the reference price and not lower than NTD10 par value. The method of price setting shall be reasonable according to applicable regulations. The board of directors is authorized by the shareholders' meeting to determine the actual determination date of the price and private placement price within the percentage scope resolved at the shareholders' meeting depending on the specified placee and capital market conditions in the future based on the laws and regulations.

2. The method of selecting the placee for that selection:

(1) The specific persons selected shall be limited to strategic investors according to Article 43-6 of the Securities and Exchange Act and (2002) Tai-Cai-Zheng-Yi-Zi No.0910003455 dated June 13, 2002 by the former Securities and Futures Commission under the Ministry of Finance while the shareholders' meeting is proposed to authorize the board of directors to review the qualification of placees.

(2) In response to the rapid change of environment and

the booming plant-based product market, we plan to introduce strategic partners and aggressively expand the deployment of the Company in related fields to increase revenue and improve profitability.

3. Reasons necessitating the private placement and anticipated benefits:

(1) Reasons of not adopting public offering: When taking timeliness, convenience and issuing cost of financing into consideration, the rapid and convenient characteristics of private placement with the restriction on free transfer within three years can ensure the stable and long-term relationship between the Company and strategic investors. Therefore, we plan to adopt private placement for fundraising.

(2) Private placement limits: It shall not exceed the range of 100,000,000 shares and may be carried out in closings within one year of the date of the resolution of the shareholders' meeting. The closings shall not exceed three times.

(3) The use of funds raised by the private placement: Funds raised in each private placement are used to increase working capital, capital expenses and respond to the future development needs of the Company.

(4) Anticipated benefits: Each closing is held to integrate the advantages of the Company and the strategic partner to get a head start in the market while creating long-term and stable performance and profits.

IV. The rights and obligations regarding the private placement of common shares:

The rights and obligations regarding the private placement of common shares are the same as those of common shares issued by the Company, in principle; however, according to the regulations of the Securities and Exchange Act, within three years from the delivery date, the Company of privately placed common shares may not resell the common shares except for those transfer counterparty specified in Article 43-8 of the Securities and Exchange Act. Where three full years have elapsed since the delivery date of the privately placed

common shares, the board of directors is authorized to apply to the competent authority for the rearrangement of public issuing and listing depending on the current condition based on related regulations.

- V. Besides the percentage for the private placement pricing, we propose to the shareholders' meeting for the authorization of the board of directors to adjust, establish and conduct the main contents of this private placement based on market conditions, including relevant matters such as actual issue price, issue shares, issue conditions, plan items, amount of funds raised and anticipated benefits as well as other matters related to the issuing plan. In case of future changes in laws and regulations, amendment under the instruction of the competent authority or establishment or amendment made according to operation assessment or in response to objective market environment, the board of directors shall also be authorized to handle the matters with full power.
- VI. To align with the private placements of securities conducted this time, we propose to the shareholders' meeting for the authorization of the Chairman to sign and discuss all contracts and documents related to the private placement plan on behalf of the Company and to conduct all matters required for this private placement plan.
- VII. Any matters not specified in the previous paragraph shall be handled in accordance with laws and regulations by the board of directors.

Resolution:

Election matters

- Motion No. 1 Proposed by the board of directors
- Proposal: Resolution of the proposal for reelection of all directors.
- Description: I. The term of office held by the Company's current directors is going to expire on June 26, 2022, and, therefore, should be reelected in whole pursuant to laws.
- II. According to Article 18 of the Articles of Incorporation, the current Annual General Meeting shall elect 9 directors (including 3 independent directors). The candidate nomination system shall be adopted. The new directors shall hold the term of office from June 24, 2022, to June 23, 2025, for three years.
- III. The Board of Directors' meeting passed the "name list of candidates for directors and independent directors" on May 9, 2022. Please refer to Pages 69–70 of the Handbook.
- IV. Proposed for election.

Election result:

Other motions

- Motion No. 1 Proposed by the board of directors
- Proposal: Resolution of the proposal for termination of the non-competition restriction on new directors
- Description: I. According to Paragraph 1, Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. For the Data Sheet of Candidates for Director (Independent Director) Concurrently Holding any Position in Another Company, please refer to Pages 71–72 of the Handbook.

Resolution:

Impromptu motions

Adjournment

Business Report

I. 2021 Business Report

Unit: NTD thousand

Item	2021	%	2020	%	+/-%
Operating Revenue	4,710,880	100.0	4,614,486	100.0	2.1
Gross Margin	1,459,388	31.0	1,519,004	32.9	-3.9
Operating Expenses	1,287,853	27.3	1,302,903	28.2	-1.2
Operating Profit	171,535	3.6	216,101	4.7	-20.6
Profit before Tax	285,244	6.1	310,310	6.7	-8.1
Net Profit	217,167	4.6	249,394	5.4	-12.9

The Company's consolidated operating revenue in 2021 was NTD 471,088 thousand, which increased NTD 96.39 million compared to the previous year by 2.1%. The gross profit margin declined by 1.9% compared to the same period last year due to the increasing costs of raw materials and supplies, resulting in a decrease of gross profit of NTD 59.62 million. Since properly control of the net operating profit, the expense ratio decreased by 0.9% to NTD 171.54 million, which decreased NTD 44.57 million compared to the same period last year. Due to factors such as increased profit from reinvestment, non-operating income and expenditure increased NTD 19.50 million compared to the same period last year. The pre-tax profit was NTD 285.24 million. The net profit after deducting the income tax expense was NTD 217.17 million.

II. Summary of the 2022 Business Plan

Thanks to the efforts spent by the team, AGV has achieved the goals under the four major business strategies in 2021:

(1) Improvement of "Cost Efficiency":

- Optimization of product costs. Through the Product Optimization Center, we can perform research regarding the optimization of raw material costs.
- Optimization of manufacturing costs. Through the Manufacturing Management Center, we can promote the prevention of cost lost during the process.
- Optimization of administrative costs. Through an e-platform on the Internet, we can effectively control the administrative and management costs.
- Optimization of operating costs. Through channel and project management, we can plan and calculate relative sales

costs precisely.

(2) Continuous “Innovative Development”:

- Promotion for the innovative development of technology. The Biotechnology Center has acquired patents, certifications, awards to accumulate intellectual property.
- Promotion for the innovative development of new products. The Product Development Center develops new product formula with new materials and effects.
- Promotion for the innovative development of research process. The Business Strategic Center uses social media to create a platform for the new era.
- Promotion for the innovative development of new projects. The Project Management Department performs brainstorming for the new trend in the market.

(3) Establishment of “Cross-field Integration”:

- Cross-field integration with businesses in the same industry. Provision of social responsibility integration and industry-academia cooperation.
- Cross-field integration with businesses in different industries. Provision of joint brand platform and cross-field sales in the market.
- Cross-field integration with other brands. Provision of international brand agency and channel market agency services.
- Cross-field integration with channel business. Provision of brand-name product manufacturing services and raw material supply services.

(4) Creation of an “International Market”:

- Seeking business opportunities in the Taiwan market. We make use of the existing research, manufacturing and marketing platform to expand our agency business.
- Seeking business opportunities in the China market. We make use of existing plant equipment to perform our contracted business.
- Seeking business opportunities in the Japan & Korea markets. We make use of the existing customers in the international channel to connect to the Japanese and Korean markets.

- Seeking business opportunities in the European & American market, and making use of the existing customers in the international channel to enter the European and American markets.

The environmental variables, such as natural changes, sustainability, political and economic conditions, market planning and consumer preference, are cyclic in nature, as they usually will return to the normal condition following specific trends after going through considerable time period and volatility in ranges. After going through the volatility in politics, economy, epidemic and people's livelihood, the people's livelihood consumption is still expected to be the primary factor to support the stable economy and also the leader in the process of economic recovery, which will grow significantly, in terms of quality or quantity. The Company's 2022 business policies are re-adjusted based on the recent environmental variables and volatility in politics, economy, epidemic and people's livelihood. Based on the thorough analysis and planning, the Company will orient its development toward the four strategic directions:

- (1) Balance between healthy and delicious and retro innovation: Uphold the theory about healthy and delicious, and innovate based on retro.
- (2) Correspondence of needs by group to lifestyle: Find the needs of the young and old in line with the home cooking trend.
- (3) Adaption to the epidemic and combination with solutions: Adopt responsive strategies against the epidemic and find solutions deriving from life.
- (4) Equality in social performance and financial performance: Fulfill the social responsibility and take a leading position in layout for sustainability.

The summary of AGV's 2022 Business Plan is as follows:

1. AGV's New Product Development:

According to the international renowned market survey institution, INNOVA, the dietary trend has kept focusing on personal health in the past few years, but now the issue most concerned by consumers is the Earth's health. Through the promotion by various countries' governments and private organizations in the international community for many years,

and following the rising consumer awareness and improving knowledge level of people, sustainability has become one of the key factors affecting consumers' decision for shopping. Considering that the COVID-19 epidemic has changed the awareness toward social value and people's living habit significantly, consumers' emphasis on health has shifted from individuals to groups and the environment. This year, INNOVA market insight report also proposes the global ten major trends for foods & drinks in 2022 as follows:

- Trend 1: Shared Planet
- Trend 2: Plant-Based: The Canvas for Innovation
- Trend 3: Tech to Table
- Trend 4: Shifting Occasions
- Trend 5: Voice of the Consumer
- Trend 6: Gut Glory
- Trend 7: Back to the Roots
- Trend 8: Amplified Experiences
- Trend 9: Upcycling Redefined
- Trend 10: My Food, My Brand

The food industry is well-developed in Taiwan, with the advanced R&D and production technologies for foods and drinks. Meanwhile, its consumers are diversified, more loyal to brands and willing to try something new, and generally own higher knowledge level and quality of life. The consumers are more prone to accept new trends and new dining concepts. The culture and cuisine heritage owned by Taiwan itself are significantly critical to the consumption behavior. In order to deal with the environmental variables, such as inflation and rising CPI, and under the post-epidemic era and co-existence with the virus, the Company plans the development oriented toward the following main products.

(1) Traditional Cuisine:

- Hakka Bamboo Shoots: A classic local dish of Taiwan, designed to derive the ancient taste in real time.
- Curry Tofu: Co-branded with the well-known brand to have consumers enjoy delicious cuisine when quarantined at home.
- Mapo Tofu: Blessed by Sichuan spicy flavour, with

beautiful color and good taste, suitable for home cooking.

- Brown Rice Blending Oil: High temperature-resistant, frying-resistant, helps lower three hypers and protects cardiovascular system.
- Soybean Milk Tofu Pudding: The convenient, delicious and healthy local cuisine suitable for all ages.

(2) Health drink series:

- AGV Mico-Ice Wheat Tea: Produced by the exclusive ice extraction method, good at stopping thirst without hurting the stomach.
- Black Chocolate Pure Dense Oat: Black chocolate combined with pure dense oat to form antioxidants and help lower three hypers.
- Oat Milk for Barista: The oatmeal series extending to coffee products successfully.
- Digesting Tea Series – Japanese Green Tea: A new taste for Kyushu green tea helps relieve saltiness and cut grease.
- Mini Functional Water: Micro-mineral water from OKINA deep sea, launched in lightweight packaging.

2. Asian Strategy – New Product Development with AGV’s Partner (Nestlé):

AGV has been cooperating with the world’s largest food company, Nestlé, for 7 years. In addition to helping Nestlé’s Lemon Tea get back to its leading position on the market, AGV has become the foundry of Nestlé for R&D of new products and sterile cold filled PET products in the Greater China.

III. Prospect for the Future:

In order to deal with the political and economic environment and market trend transformation in 2021, the Company has successively achieved the following: Improvement of “cost efficiency” (product cost, manufacturing cost, administrative cost and operation cost), persistence of “innovative development” (innovations of technology, new products, investigation and research, and planning), establishment of “cross-industry integration” (vertical, horizontal, brand and channel integrations), and development of “international

market” (four major markets including Taiwan, Mainland China, Japan & Korea, Europe and the USA), in order to lay the foundation for the sustainability.

Given the increasing call on domestic and overseas enterprises for fulfillment of social responsibility in the recent years, the governments and public have been increasingly valuing the social responsibility to be borne by enterprises beyond profit seeking year by year. This reflects certain changes occurring to the business model commonly known to the public in the past. This positive trend will only be increasingly valued. As a result, business owners and the public adjust their visions toward the corporate social responsibility. Now, the industry, government, academia and the public generally believe that the corporate value is derived from creation of financial performance, and for a mid-term/long-term goal, non-financial performance is more like the key to upgrade the corporate value. Different from the past, now AGV management team values the annual financial performance and corporate social responsibility equally.

When looking into the future, the AGV team promises to continue to provide healthy and delicious products, and also to achieve more multi-dimensional goals for corporate social responsibility. We will keep upholding and pursuing the Sustainable Development Strategic Layout (SDSL), in order to satisfy the corporate development needs in Corporate Social Performance (CSP) and Corporate Financial Performance (CFP), and also make any adjustment resiliently from time to time in response to the variables including international trends, systems and laws & regulations.

Therefore, looking forward to 2022, the Company will orient its overall business policy toward the four strategic directions as below:

- (1) Balance between healthy and delicious and retro innovation
- (2) Correspondence of needs by group to lifestyle
- (3) Adaption to the epidemic and combination with solutions
- (4) Equality in social performance and financial performance

Chairman:

President:

Accounting Officer:

Audit Committee's Review Report of AGV Products Corporation

Authorized

The 2021 business report, financial statements and appropriation of earnings of the Company were prepared by the Board of Directors and the financial statements have been audited by CPA Shu-Man Tsai and CPA Ching-Lin Li of Crowe (TW) CPAs, and no nonconformities were found. We hereby issue the above report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Proposed
for approval.

For
The Company's 2022 Annual General Meeting

Audit Committee convener: Yung-Chien Wu

Audit Committee member: Yung-Fu Tseng

Audit Committee member: Wei-Lung Chen

March 25, 2022

Independent Auditors' Report of AGV Products Corporation

To AGV Products Corporation:

Audit opinions

We have audited the standalone balance sheet of AGV Products Corporation from December 31, 2021 and 2020, as well as the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only cash flow statement for the periods January 1 to December 31, 2021 and 2020, and the accompanying footnotes (including summary of major accounting policies).

In our opinion, based on our audit results and the other independent auditors' report (please refer to the other matters section), all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the parent company only financial position of AGV Products Corporation as at December 31, 2021 and 2020, and business performance and cash flow for the periods January 1 to December 31, 2021 and 2020.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Report section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of AGV Products Corporation in accordance with the Code of Ethics for Professional Accountants and with other responsibilities of the Code of Ethics performed. According to our audits and the other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

Key audit matters

“Key audit matters” means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2021 parent company only financial report of AGV Products

Corporation. These matters were addressed in the content of our audit of the parent company only financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The key audit matters of the 2021 parent company only financial report of AGV Products Corporation are as follows:

I. Fair value evaluation of investment property

For detailed accounting policy on investment property, please refer to Note 4(11) of the parent company only financial report, and for descriptions on the recording basis and evaluation status of investment property, please refer to Note 6(9) of the parent company only financial statements

Description of key audit matters:

As of December 31, 2021, investment property held totaled NTD1,448,369 thousand accounted for 12.58% of the total assets and it was measured in fair value model subsequently. The recognized variable income generated from fair value changes totaled NTD7,175 thousand in 2021, accounted for 2.81% of net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by a commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, local or market conditions of the subject property and the assumptions and estimates related to profit rate and discount rate adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

Corresponding audit process:

Our main audit process includes checking the consistency of inventory and appraisal data provided for external appraisers by management, evaluating the accuracy of investment property classification based on the understanding of the Company and checking the recoverable amount and recorded amount in the value appraisal report of independent evaluation issued by the Company based on the external appraiser, reviewing the reasonableness of related assumptions and appraisal content (including the method, analysis period and discount rate) and evaluating the qualification and independence of such external appraiser. The appropriateness and completeness of information disclosed in the notes on the parent company only financial report is also evaluated.

II. Recognition of revenue

Please refer to Note 4(18) of the financial report for detailed accounting policy on income recognition. Please refer to Note 6(22) of the financial report for income details.

The main business of the AGV Products Corporation refers to the manufacturing, processing, and sales of products related to drinks and canned foods. The transaction terms agreed in the sales contract signed with the customer will affect the judgment of AGV Products Corporation regarding whether the income recognition timing meets the time in which the customer owns the right to set the price and use the same, and has taken the responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the income recognition test in 2021 as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

Our main audit process includes understanding the sales system of AGV Products Corporation, such as the sales channels and selling customers, checking agreements related to sales contracts signed with main trading customers and randomly checking shipment and income recognition operation procedure records in 2021 (including checking the consistency of the date, amount and counterparty in the shipping order and invoice). We also conduct a comparison of two terms regarding the main trading customers, including the comparison of accounts receivable turnover rate, accounts receivable turnover days and credit period, and inquires of the top ten trading counterparties in two terms with major changes to evaluate the reasonableness of transaction amount and counterparty and execution cut-offs for operating revenue recognition and shipping voucher forms before and after the balance sheet date.

Other information

We have not audited partial financial statements of affiliated companies disposed the under equity method in said parent company only reports of 2020 and 2021, instead other CPAs did. Thus, in our opinions expressed on the parent company only financial report, the amounts listed in the statement of affiliated companies were based on the other independent auditors' report. The investment in these invested companies under the equity method were NTD1,877,660 thousand and NTD1,669,191 thousand as of December 31, 2021 and 2020, accounting for 16.31% and 15.23% of total assets, respectively. The share of profit or loss from affiliates and joint ventures under the equity method were NTD104,785 thousand and NTD95,532 thousand for the periods January 1 to December 31, 2021 and

2020, accounting for 41.10% and 32.66% of net income before tax, respectively. Share of other comprehensive income from affiliates and joint ventures under the equity method were NTD135,408 thousand and NTD80,243, accounting for 40.02% and 44.85% of other net comprehensive income, respectively.

Responsibilities of Management and the Governance Unit with Governance for the Parent Company Only Financial Report

Management is responsible for preparing the appropriate parent company only financial report in accordance with Regulations Governing the Preparation of Financial Report by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the parent company only financial report. As a result, it can ensure material misstatement due to fraud or error does not occur in the parent company only financial report.

In preparing the parent company only financial report, management is also responsible for assessing the ability of AGV Products Corporation 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 AGV Products Corporation or to cease operations, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the audit committee) of AGV Products Corporation is responsible for supervising the financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Parent Company Only Financial Report

Our objectives are to obtain reasonable assurance about whether the parent company only financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards will always detect a material misstatement when it exists. Untruthful expressions might have been caused by fraud or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of parent company only financial report, they are considered significant.

As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional

skepticism throughout the audit. The CPAs also perform the following tasks:

- I. Identify and assess the risk of material misstatement of the parent company only financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.
- II. 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 internal control of AGV Products Corporation.
- III. Evaluate the adequacy of accounting policies adopted by management and the legitimacy of accounting estimates and related disclosures made.
- IV. 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 ability of AGV Products Corporation to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the parent company only financial report shall be provided in the auditors' report to allow users of the parent company only financial report to be aware of such events or circumstances, or shall revise our opinion when such disclosure is considered inappropriate. 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 AGV Products Corporation to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial report (including relevant notes), and whether the parent company only financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within AGV Products Corporation in order to express an opinion on the parent company only

financial report. Our responsibilities as auditors are to instruct, supervise and execute audits and form audit opinions on AGV Products Corporation.

Communications made by the CPAs with governance units include the planned scope and timing of inspection as well as significant inspection findings (including significant deficiencies found with internal control during inspection).

We also provide those in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, where applicable (including related protection measures).

The independent auditor has used communications with the governing unit as the basis to determine the key audit matters to be performed on the 2021 parent company only financial report of AGV Products Corporation. 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 communications.

Crowe (TW) CPAs
CPA: Shu-man Tsai

CPA: Ching-lin Li

Approval No.: Jin-Guan-Zheng-Shen-Zi No.
10200032833
March 25, 2022

AGV Products Corporation
Balance sheet
December 31, 2021 and 2020

Unit: NTD thousands

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalent (Note 6(1))	\$ 317,549	3	\$ 399,235	4
1150	Receivable notes, net (Note 6(2))	9,065	-	11,680	-
1160	Note receivables - the related party, net (Note 7)	13,238	-	19,135	-
1170	Accounts receivable, net (Note 6(3))	469,268	4	407,174	4
1180	Accounts receivable - the related party, net (Note 7)	116,262	1	101,204	1
1200	Other accounts receivable	10,591	-	14,311	-
1210	Other accounts receivable - the related party (Note 7)	38,378	-	20,820	-
1220	Income tax assets in the current period	308	-	218	-
130x	Inventories (Note 6(4))	712,775	7	644,795	7
1410	Prepayments	55,871	-	53,148	-
1476	Other financial assets - current (Note 6(12))	-	-	28,000	-
1479	Other current assets - others	2,805	-	2,930	-
11xx	Total current assets	1,746,110	15	1,702,650	16
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(5))	957,755	8	914,506	8
1550	Investment under the equity method (Note 6(6))	6,096,735	53	5,596,854	51
1600	Property, plant and equipment (Note 6(7))	948,016	8	959,384	9
1755	Right-of-use assets (Note 6(8))	18,876	-	12,655	-
1760	Investment property, net (Note 6(9))	1,448,369	13	1,442,108	13
1780	Intangible assets (Note 6(10))	2,645	-	2,573	-
1840	Deferred income tax assets (Note 6(27))	194,778	2	245,998	2
1920	Refundable deposit	53,555	1	48,205	1
1980	Other financial assets - non-current (Note 6(12))	20,000	-	20,025	-
1990	Other non-current assets - others (Note 6(11))	24,973	-	14,209	-
15xx	Total non-current assets	9,765,702	85	9,256,517	84
lxxx	Total assets	\$ 11,511,812	100	\$ 10,959,167	100
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 6(13))	\$ 430,000	4	\$ 490,000	4
2130	Contract liabilities - current (Note 6(22))	2,226	-	8,118	-
2150	Notes payable	65,598	1	60,032	1
2170	Accounts payable	70,203	1	80,934	1
2180	Accounts payable - the related party (Note 7)	447,468	4	610,743	6
2200	Other payable (Note 6(14))	278,556	2	270,072	2
2220	Other payable - the related party (Note 7)	47,818	-	43,819	-
2250	Liability reserve - current (Note 6(15))	17,943	-	16,747	-
2280	Lease liabilities - current (Note 6(8))	8,548	-	9,114	-
2310	Collections (Note 7)	3	-	-	-
2320	Long-term liabilities due within a year or operating cycle (Note 6(17))	261,584	2	533,124	5
2399	Other current liabilities	4,065	-	4,309	-
2lxx	Total current liabilities	1,634,012	14	2,127,012	19

(Continued)

(Brought forward)

Code	Liability and equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(17))	\$ 3,051,185	26	\$ 2,527,844	23
2570	Deferred income tax liabilities (Note 6(27))	123,074	1	123,142	1
2580	Lease liabilities - non-current (Note 6(8))	12,197	-	5,560	-
2640	Net defined benefit liabilities - non-current (Note 6(16))	68,710	1	84,527	1
2645	Guarantee deposits	1,323	-	1,730	-
25xx	Total non-current liabilities	3,256,489	28	2,742,803	25
2xxx	Total liabilities	4,890,501	42	4,869,815	44
	Equity				
3100	Capital stock (Note 6(18))				
3110	Common stock	4,945,134	43	4,945,134	46
3200	Capital surplus (Note 6(19))	268,647	2	268,647	2
3300	Retained earnings (Note 6(20))				
3310	Legal reserve	64,882	1	43,485	-
3320	Special reserve	755,377	7	562,804	5
3350	Undistributed earnings	190,023	2	213,970	2
3400	Other equity (Note 6(21))	397,248	3	55,312	1
3xxx	Total equity	6,621,311	58	6,089,352	56
	Total liabilities and equity	\$ 11,511,812	100	\$ 10,959,167	100

Chairman: Kuan-Han Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

AGV Products Corporation
Statement of comprehensive income
January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code	Item	2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(22))	\$ 3,956,221	100	\$ 3,921,854	100
5000	Operating cost (Note 6(4))	(2,781,808)	(70)	(2,681,801)	(69)
5900	Gross profit (gross loss)	1,174,413	30	1,240,053	31
5910	Unrealized gain (loss) from sales	(6,421)	-	(8,311)	-
5920	Realized gain (loss) from sales	8,311	-	9,940	-
	Operating expenses				
6100	Selling expenses	(707,687)	(18)	(744,815)	(19)
6200	Management expenses	(233,796)	(6)	(231,520)	(6)
6300	Research and Development expenses	(49,460)	(1)	(41,002)	(1)
6450	Expected credit impairment gain (loss) (Note 6(3))	11	-	207	-
6000	Total operating expenses	(990,932)	(25)	(1,017,130)	(26)
6900	Operating profits (losses)	185,371	5	224,552	5
	Non-operating income and expenses				
7100	Interest revenue	1,677	-	1,594	-
7010	Other revenues (Note 6(24))	60,870	1	48,150	1
7020	Other profit and loss (Note 6(25))	(16,122)	-	(18,056)	-
7050	Financial cost (Note 6(26))	(78,951)	(2)	(77,261)	(2)
7070	Share of profit or loss from subsidiaries, affiliates and joint ventures under the equity method	102,096	3	113,531	3
7000	Total non-operating income and expense	69,570	2	67,958	2
7900	Net profit (loss) before tax	254,941	7	292,510	7
7950	Income tax benefits (expenses) (Note 6(27))	(53,759)	(2)	(59,606)	(2)
8200	Current net profit (loss)	201,182	5	232,904	5
	Other comprehensive income (Note 6(28))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(4,474)	-	(8,612)	-
8316	Unrealized valuation profit or loss from equity instrument investments at fair value through other comprehensive income	116,610	3	16,008	-
8330	Share of other comprehensive income from subsidiaries, affiliates and joint ventures under the equity method	237,778	6	180,202	5
8349	Income tax related to items not reclassified	895	-	1,722	-
8360	Items may be subsequently reclassified as profit or loss				
8380	Share of other comprehensive income from subsidiaries, affiliates and joint ventures under the equity method	(14,164)	-	(11,367)	-
8399	Income tax related to items may be reclassified	1,712	-	980	-
8300	Other comprehensive income (net)	338,357	9	178,933	5
8500	Total comprehensive income in the current period	\$ 539,539	14	\$ 411,837	10
	Earnings per share				
9750	Basic EPS (Note 6(29))	\$ 0.41		\$ 0.47	
9850	Diluted EPS (Note 6(29))	\$ 0.41		\$ 0.47	

Chairman: Kuan-Han Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

AGV Products Corporation
Parent company only statement of changes in equity
January 1 to December 31, 2021 and 2020

	Unit:NTD thousands									
	Retained earnings				Other items of interest			Unrealized valuation		
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of foreign operations	profit (loss) of financial assets measured at fair value through other comprehensive income	Total equities	(58,900) \$	5,680,922
Balance on January 1, 2020	\$ 4,945,134	\$ 266,323	\$ 38,680	\$ 512,381	\$ 55,227	\$ (77,923)	\$ (58,900)	\$ 5,680,922		
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	4,805	-	(4,805)	-	-	-		
Allocated special reserve	-	-	-	50,423	(50,423)	-	-	-		
Changes of affiliates and joint ventures under the equity method	-	2,324	-	-	(5,731)	-	-	-		(3,407)
2020 net profit (loss)	-	-	-	-	232,904	-	-	-		232,904
2020 Other comprehensive income	-	-	-	-	(13,202)	(9,537)	201,672	201,672		178,933
2020 Total comprehensive income	-	-	-	-	219,702	(9,537)	201,672	201,672		411,837
Balance on December 31, 2020	4,945,134	268,647	43,485	562,804	213,970	(87,460)	142,772	142,772		6,089,352
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	21,397	-	(21,397)	-	-	-		-
Allocated special reserve	-	-	-	192,573	(192,573)	-	-	-		-
Changes of affiliates and joint ventures under the equity method	-	-	-	-	(7,580)	-	-	-		(7,580)
2021 net profit (loss)	-	-	-	-	201,182	-	-	-		201,182
2021 Other comprehensive income	-	-	-	-	(11,053)	(16,352)	365,762	365,762		338,357
2021 Total comprehensive income	-	-	-	-	190,129	(16,352)	365,762	365,762		539,539
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	7,474	-	(7,474)	(7,474)		-
Balance on December 31, 2021	\$ 4,945,134	\$ 268,647	\$ 64,882	\$ 755,377	\$ 190,023	\$ (103,812)	\$ 501,060	\$ 501,060		\$ 6,621,311

Chairman: Kuan-han Chen

Manager: Chih-chian Chen

Head of Accounting: He-shun Chang

AGV Products Corporation
Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Item	2021	2020
Cash flows from operating activities		
Current net profit (loss) before tax	\$ 254,941	\$ 292,510
Adjustments		
Income, expenses, and losses		
Depreciation expenses	71,247	70,987
Amortization expenses	1,211	722
Expected credit impairment losses (gains)	(11)	(207)
Interest expenses	78,951	77,261
Interest revenue	(1,677)	(1,594)
Dividend revenue	(15,208)	(7,644)
Share of loss (gain) from subsidiaries, associates and joint ventures under the equity method	(102,096)	(113,531)
Loss (gain) from disposal and scrap of property, plant and equipment	144	223
Unrealized gain (loss) from sales	6,421	8,311
Realized loss (gain) from sales	(8,311)	(9,940)
Loss (gain) due to fair value adjustment in investment property	(7,175)	(11,825)
Other items	-	44
Total income/expense items	<u>23,496</u>	<u>12,807</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (increase) in notes receivable	2,618	504
Notes receivable - decrease (increase) for the related party	5,903	12,879
Decrease (increase) in accounts receivable	(62,093)	33,000
Accounts receivable - decrease (increase) for the related party	(15,057)	(7,477)
Decrease (increase) in other accounts receivable	3,720	13,054
Other accounts receivable - decrease (increase) for the related party	9,363	(9,541)
Decrease (increase) of inventory	(67,980)	(89,080)
Decrease (increase) in prepayments	(2,723)	(23,327)
Decrease (increase) in other current assets	125	57
Total net changes in assets related to operating activities	<u>(126,124)</u>	<u>(69,931)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	(5,892)	2,885
Increase (decrease) in notes payable	5,566	10,202
Increase (decrease) in accounts payable	(10,731)	9,017
Accounts payable - increase (decrease) for the related party	(163,275)	70,371
Increase (decrease) in other payables	10,157	44,928
Other payables - Increase (decrease) for the related party	3,999	(4,553)
Increase (decrease) in liability reserve	1,196	(583)
Increase (decrease) in collections	3	(3)

(Continued)

(Brought forward)

Item	2021	2020
Increase (decrease) in other current liabilities	\$ (244)	\$ (140)
Increase (decrease) in net defined benefit liabilities	(20,291)	(10,375)
Total net changes in liabilities related to operating activities	(179,512)	121,749
Total net changes in assets and liabilities related to operating activities	(305,636)	51,818
Total adjustments	(282,140)	64,625
Cash inflow (outflow) from operations	(27,199)	357,135
Interest received	1,662	1,609
Stock dividend received	124,083	91,139
Returned (paid) income tax	(90)	(35)
Net cash inflow (outflow) from operating activities	98,456	449,848
Cash flows from investment activities		
Disposal of financial assets measured at fair value through other comprehensive income	42	-
Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	77,989	-
Acquisition of investment under equity method	(320,312)	(230,892)
Acquisition of property, plant and equipment	(53,205)	(35,090)
Disposal of property, plant and equipment	300	-
Increase in refundable deposit	(5,350)	-
Decrease in refundable deposit	-	6,647
Acquisition of intangible assets	(1,283)	(1,620)
Decrease in other financial assets	28,025	42,990
Increase in other non-current assets	(10,764)	-
Decrease in other non-current assets	-	4,830
Net cash inflow (outflow) from investment activities	(284,558)	(213,135)
Cash flow from financing activities		
Decrease in short-term loans	(60,000)	(265,000)
Proceeds from long-term loans	2,570,000	1,000,000
Repayment of long-term loans	(2,316,599)	(791,461)
Decrease in guarantee deposits	(407)	(15)
Lease principle repayment	(7,408)	(5,865)
Interest paid	(81,170)	(76,411)
Net cash inflow (outflow) from financing activities	104,416	(138,752)
Increase (decrease) in cash and cash equivalents in the current period	(81,686)	97,961
Balance of cash and cash equivalents, beginning	399,235	301,274
Balance of cash and cash equivalents, ending	\$ 317,549	\$ 399,235

Chairman: Kuan-Han Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

Independent Auditors' Report and Consolidated Financial Statements of AGV Products Corporation

To AGV Products Corporation:

Audit opinions

We have audited the standalone balance sheet of AGV Products Corporation and subsidiaries (hereinafter referred to as the "AGV Group") as of December 31, 2021 and 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement for the periods January 1 to December 31, 2021 and 2020, and the accompanying footnotes (including a summary of major accounting policies).

In our opinion, based on our audit results and other independent auditors' report (please refer to the other matters section), all material disclosures of the consolidated financial report mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers," international financial reporting standards approved by the Financial Supervisory Commission, the International Accounting Standards, and interpretations thereof, and presented a fair view of the consolidated financial position of AGV Group as at December 31, 2021 and 2020, and business performance and cash flow for the periods January 1 to December 31, 2021 and 2020.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Report section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of AGV Group in accordance with the Code of Ethics for Professional Accountants, and with the other responsibilities of the Code of Ethics performed as well. According to our audits and other independent auditors' reports, we believe to have obtained sufficient and appropriate audit evidence to be used as the basis for the opinion.

Key audit matters

“Key audit matters” means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2021 consolidated financial report of AGV Group. These matters were addressed in the content of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The key audit matters of the 2021 consolidated financial report of AGV Group are described as follows:

I. Fair value evaluation of investment property

For detailed accounting policy on investment property, please refer to Note 4(12) of the consolidated financial report, and for descriptions on the recording basis and evaluation status of investment property, please refer to Note 6(12) of the consolidated financial statements.

Description of key audit matters:

As of December 31, 2021, the held investment property totaled NTD2,653,215 thousand, accounted for 19.18% of the total assets and was measured in fair value model subsequently. The recognized variable income generated from fair value changes totaled NTD5,936 thousand in 2021, accounted for 2.08% of net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, local or market conditions of the subject property and the assumptions and estimates related to profit rate and discount rates adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the parent company only financial report of AGV Group.

Corresponding audit process:

Our main audit process includes checking the consistency of inventory and appraisal data provided for external appraisers by management, evaluating the accuracy of investment property classifications based on the understanding of the Company and checking the recoverable amount and recorded amount in the value appraisal report of independent evaluation issued by the Company based on the external appraiser, reviewing the reasonableness of related assumptions and appraisal content (including method, analysis period and discount rate) and evaluating the qualification and independence of such external appraisers. The appropriateness and

completeness of information disclosed in the notes on consolidated financial report is also evaluated.

II. Recognition of revenue

Please refer to Note 4(19) of the consolidated financial report for detailed accounting policy on income recognition. Please refer to Note 6(27) of the consolidated financial report for income details.

The main business of the AGV Group refers to the manufacturing, processing, and sales of products related to drinks and canned foods. The transaction terms agreed to in the sales contract signed with the customer will affect the judgment of the AGV Group regarding whether the income recognition timing meets the time in which the customer owns the right to set the price and use the same and takes the responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the income recognition test in 2021 as a key audit matter when auditing the consolidated financial report of the AGV Group.

Our main audit process includes understanding the sales system of AGV Group, such as the sales channels and selling customers, checking agreements related to sales contracts signed with main trading customers and randomly checking shipment and income recognition operation procedure records in 2021 (including checking the consistency of the date, amount and counterparty in the shipping order and invoice). We also conduct a comparison of two terms regarding the main trading customers, including the comparison of accounts receivable turnover rate, accounts receivable turnover days and credit period, and inquires of the top ten trading counterparties in two terms with major changes to evaluate the reasonableness of transaction amount and counterparty and execution cut-offs for operating revenue recognition and shipping voucher forms before and after the balance sheet date.

Other information

As stated in Note 4(3) of the consolidated financial report, we have not audited partial financial statements of some subsidiaries and the investment under the equity method in said consolidated report, instead other CPAs did. Thus, in our opinions expressed on the consolidated financial report, the amounts listed in the report for those companies were based on the other independent auditors' report. The total assets of subsidiaries were NTD5,444 thousand and NTD6,888 thousand as of December 31, 2021 and 2020, accounting for 0.04% and 0.05% of total consolidated assets, respectively, and the total liabilities were NTD1,218 thousand and NTD1,288 thousand as of December 31, 2021 and 2020,

accounting for 0.02% of total consolidated liabilities, respectively. In 2021 and 2020, the operating revenues were NTD0 thousand, accounting for 0% of net consolidated operating revenue and the total comprehensive incomes were NTD(1,737) thousand and NTD(2,094) thousand, accounting for (0.31%) and (0.49%) of total consolidated comprehensive income, respectively; in addition, the investments in these affiliates under the equity method were NTD2,039,991 thousand and NTD1,818,191 thousand as of December 31, 2021 and 2020, accounting for 14.74% and 13.63% of total consolidated assets, respectively. In 2021 and 2020, the recognized shares of profit or loss from affiliates and joint ventures under the equity method were NTD106,028 thousand and NTD95,297 thousand, accounting for 37.17% and 30.71% of consolidated pre-tax income, respectively, while the recognized shares of other comprehensive income from affiliates and joint ventures under the equity method were NTD148,853 thousand and NTD90,957 thousand, accounting for 43.01% and 50.13% of other net consolidated comprehensive income, respectively. AGV Products Corporation had duly worked out the 2021 and 2020 parent company only financial report for which we have duly worked out a standard type Audit Report with unqualified (unreserved) opinion for reference.

Responsibilities of the Management and the Governance Unit with Governance for the Consolidated Financial Report

Management is responsible for preparing the appropriate consolidated financial report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the consolidated financial report. As a result, it can ensure material misstatement due to fraud or error does not occur in the consolidated financial report.

In preparing the consolidated financial report, management is also responsible for assessing the ability of the AGV Group 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 AGV Group or cease operations, or there is a lack of any option except for liquidation or suspension.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial reports 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 generally accepted auditing standards will always detect a material misstatement when it exists. Untruthful expressions might have been caused by fraud or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of consolidated financial report, they are considered significant.

As part of an audit in accordance with generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The CPAs also perform the following tasks:

- I . Identify and assess the risk of material misstatement of the consolidated financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.
- II . 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 internal control of AGV Group.
- III. Evaluate the adequacy of accounting policies adopted by management and the legitimacy of accounting estimates and related disclosures made.
- IV. 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 ability of AGV Group to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the consolidated financial report shall be provided in the auditors' report to allow users of the consolidated financial report to be aware of such events or circumstances, or shall revise our opinion when such disclosure is considered inappropriate. 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 AGV Group to cease to continue as a going concern.

- V . Evaluate the overall presentation, structure and content of the consolidated financial report (including relevant notes), and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within AGV Group in order to express an opinion on the consolidated financial report. Our responsibilities as auditors are to instruct, supervise and execute audits and form audit opinions on AGV Group.

Communications made by the CPAs with governance units include the planned scope and timing of inspection as well as significant inspection findings (including significant deficiencies found with internal control during inspection).

We also provide those in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, where applicable (including related protection measures).

The independent auditor has used communications with the governing unit as the basis to determine the key audit matters to be performed on the 2021 consolidated financial report of AGV Group. 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 communications.

Crowe (TW) CPAs
CPA: Shu-man Tsai

CPA: Ching-lin Li

Approval No.: Jin-Guan-Zheng-Shen-Zi No.
10200032833
March 25, 2022

AGV Products Corporation and its Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NTD thousands

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalent (Note 6(1))	\$ 687,587	5	\$ 669,519	5
1110	Financial assets at fair value through profit and loss - current (Notes 6 (2))	45,757	-	35,658	-
1150	Receivable notes, net (Note 6(3))	47,603	-	41,580	-
1160	Note receivables - the related party, net (Note 7)	13,476	-	19,394	-
1170	Accounts receivable, net (Note 6(4))	584,532	4	511,606	4
1180	Accounts receivable - the related party, net (Note 7)	19,175	-	19,339	-
1200	Other receivables (Note 6(5))	18,102	-	17,857	-
1210	Other accounts receivable - the related party (Note 7)	38,857	-	23,434	-
1220	Income tax assets in the current period	320	-	226	-
130x	Inventories (Note 6(6))	803,745	7	742,160	7
1410	Prepayments (Note 6(7))	141,333	1	124,997	1
1476	Other financial assets - current (Note 6(14))	-	-	30,278	-
1479	Other current assets - others	3,663	-	3,565	-
11xx	Total current assets	2,404,150	17	2,239,613	17
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(8))	1,293,948	9	1,156,453	9
1550	Investment under the equity method (Note 6(9))	4,121,892	31	3,837,867	29
1600	Property, plant and equipment (Note 6(10))	2,905,781	21	2,962,648	22
1755	Right-of-use assets (Note 6(11))	177,735	1	175,872	1
1760	Investment property, net (Note 6(12))	2,653,215	19	2,647,279	20
1780	Intangible assets (Note 6(13))	8,319	-	9,102	-
1840	Deferred income tax assets (Note 6(32))	202,457	1	257,215	2
1920	Refundable deposit	10,267	-	9,963	-
1980	Other financial assets - non-current (Note 6(14))	27,567	-	27,521	-
1990	Other financial assets - non-current (Note 6(15))	31,443	1	17,326	-
15xx	Total non-current assets	11,432,624	83	11,101,246	83
1xxx	Total assets	\$ 13,836,774	100	\$ 13,340,859	100
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 6(16))	\$ 930,833	8	\$ 928,592	7
2130	Contract liabilities - current	12,959	-	11,761	-
2150	Notes payable	92,034	1	79,565	1
2160	Notes payable - the related party (Note 7)	8,849	-	12,210	-
2170	Accounts payable	89,822	1	92,523	1
2180	Accounts payable - the related party (Note 7)	452,427	3	617,882	5
2200	Other payable (Note 6(17))	464,410	3	578,272	4
2230	Current income tax liabilities	9,987	-	7,003	-
2250	Liability reserve - current (Note 6(18))	24,878	-	23,440	-
2280	Lease liabilities - current (Note 6(11))	15,657	-	16,036	-
2310	Collections	401	-	455	-
2320	Long-term liabilities due within a year or operating cycle (Note 6(20))	611,996	4	1,133,137	9
2399	Other current liabilities (Note 6(19))	5,105	-	5,076	-
21xx	Total current liabilities	2,719,358	20	3,505,952	27

(Continued)

(Brought forward)

Code	Liability and equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(20))	\$ 3,438,935	25	\$ 2,694,544	20
2570	Deferred income tax liabilities (Note 6(32))	141,675	1	141,458	1
2580	Lease liabilities - non-current (Note 6(11))	42,549	-	33,566	-
2620	Long-term Notes payable and Accounts payable - the related party (Note 7)	5,536	-	-	-
2640	Net defined benefit liabilities - non-current (Note 6(21))	83,442	1	99,068	1
2645	Guarantee deposits	7,910	-	7,797	-
25xx	Total non-current liabilities	<u>3,720,047</u>	<u>27</u>	<u>2,976,433</u>	<u>22</u>
2xxx	Total liabilities	<u>6,439,405</u>	<u>47</u>	<u>6,482,385</u>	<u>49</u>
	Equity				
	Equity attributable to parent company shareholders				
3100	Capital stock (Note 6(22))				
3110	Common stock	4,945,134	35	4,945,134	37
3200	Capital reserve (Note 6(23))	268,647	2	268,647	2
3300	Retained earnings (Note 6(24))				
3310	Legal reserve	64,882	-	43,485	-
3320	Special reserve	755,377	6	562,804	4
3350	Undistributed earnings	190,023	1	213,970	2
3400	Other equity (Note 6(25))	397,248	3	55,312	-
31xx	Total equity attributable to the parent company	<u>6,621,311</u>	<u>47</u>	<u>6,089,352</u>	<u>45</u>
36xx	Non-controlling equity (Note 6(26))	<u>776,058</u>	<u>6</u>	<u>769,122</u>	<u>6</u>
3xxx	Total equity	<u>7,397,369</u>	<u>53</u>	<u>6,858,474</u>	<u>51</u>
	Total liabilities and equity	<u>\$ 13,836,774</u>	<u>100</u>	<u>\$ 13,340,859</u>	<u>100</u>

Chairman: Kuan-han Chen

Manager: Chih-chan Chen

Head of Accounting: He-shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code	Item	2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(27))	\$ 4,710,880	100	\$ 4,614,486	100
5000	Operating cost (Note 6(6))	(3,251,492)	(69)	(3,095,482)	(67)
5900	Gross profit (gross loss)	1,459,388	31	1,519,004	33
	Operating expenses				
6100	Selling expenses	(914,636)	(19)	(949,874)	(20)
6200	Management expenses	(320,927)	(7)	(311,920)	(7)
6300	Research and Development expenses	(52,282)	(1)	(41,890)	(1)
6450	Expected credit impairment losses (gains) (Note 6(4))	(8)	-	781	-
6000	Total operating expenses	(1,287,853)	(27)	(1,302,903)	(28)
6900	Operating profits (losses)	171,535	4	216,101	5
	Non-operating income and expenses				
7100	Interest revenue	456	-	586	-
7010	Other revenues (Note 6(29))	72,310	2	59,347	1
7020	Other profits and losses (Notes 6(30))	(525)	-	24,621	1
7050	Finance costs (Note 6(31))	(123,028)	(3)	(123,695)	(3)
7055	Expected credit impairment gains (losses)	(661)	-	(42,226)	(1)
7060	Share of profit or loss of affiliates and joint ventures under the equity method	165,157	3	175,576	4
7000	Total non-operating income and expense	113,709	2	94,209	2
7900	Net profit (loss) before tax	285,244	6	310,310	7
7950	Income tax benefit (expenses) (Note 6(32))	(68,077)	(1)	(60,916)	(1)
8200	Current net profit (loss)	217,167	5	249,394	6
	Other comprehensive income (Note 6(33))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(5,612)	-	(7,674)	-
8316	Unrealized valuation profit or loss from equity instrument investments measured at fair value through other comprehensive income	155,615	3	40,604	1
8320	Share of other comprehensive income from affiliates and joint ventures under the equity method	207,782	4	157,301	3
8349	Income tax related to items not reclassified	1,122	-	1,535	-
8360	Items may be subsequently reclassified as profit or loss				
8361	Exchange difference in the financial statement translation of foreign operations	(17,899)	-	(11,991)	-
8367	Unrealized valuation profit or loss of debt financial assets measured at fair value through other comprehensive income	3,900	-	(850)	-
8370	Share of other comprehensive income from affiliates and joint ventures under the equity method	(568)	-	1,531	-
8399	Income tax related to items may be reclassified	1,754	-	980	-
8300	Other comprehensive income (net)	346,094	7	181,436	4
8500	Total comprehensive income in the current period	\$ 563,261	12	\$ 430,830	10
8600	Net profit(loss) attributable to:				
8610	Parent company owner (net profit/loss)	\$ 201,182	5	\$ 232,904	6
8620	Non-controlling equity (net profit/loss)	15,985	-	16,490	-
		\$ 217,167	5	\$ 249,394	6
8700	Total comprehensive income attributable to:				
8710	Parent company owner (comprehensive income)	\$ 539,539	11	\$ 411,837	10
8720	Non-controlling equity (comprehensive income)	23,722	1	18,993	-
		\$ 563,261	12	\$ 430,830	10
	Earnings per share				
9750	Basic EPS (Note 6(34))	\$ 0.41		\$ 0.47	
9850	Diluted EPS (Note 6(34))	\$ 0.41		\$ 0.47	

Chairman: Kuan-Han Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit:NTD thousands

	Equity attributable to parent company shareholders				Other items of interest				Non-controlling equity	Total equities
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Total equity attributable to the parent company		
Balance on January 1, 2020	\$ 4,945,134	\$ 266,323	\$ 38,680	\$ 512,381	\$ 55,227	\$ (77,923)	\$ (58,900)	\$ 5,680,922	\$ 758,344	\$ 6,439,266
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	4,805	-	(4,805)	-	-	-	-	-
Allocated special reserve	-	-	-	50,423	(50,423)	-	-	-	-	-
Changes of affiliates and joint ventures under the equity method	-	2,324	-	-	(5,731)	-	-	(3,407)	(2,132)	(5,539)
2020 net profit (loss)	-	-	-	-	232,904	-	-	232,904	16,490	249,394
2020 Other comprehensive income	-	-	-	-	(13,202)	(9,537)	201,672	178,933	2,503	181,436
2020 Total comprehensive income	-	-	-	-	219,702	(9,537)	201,672	411,837	18,993	430,830
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	(6,083)	(6,083)
Balance on December 31, 2020	4,945,134	268,647	43,485	562,804	213,970	(87,460)	142,772	6,089,352	769,122	6,858,474
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	21,397	-	(21,397)	-	-	-	-	-
Allocated special reserve	-	-	-	192,573	(192,573)	-	-	-	-	-
Changes of affiliates and joint ventures under the equity method	-	-	-	-	(7,580)	-	-	(7,580)	-	(7,580)
2021 net profit (loss)	-	-	-	-	201,182	-	-	201,182	15,985	217,167
2021 Other comprehensive income	-	-	-	-	(11,053)	(16,352)	365,762	338,357	7,737	346,094
2021 Total comprehensive income	-	-	-	-	190,129	(16,352)	365,762	539,539	23,722	563,261
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	(16,786)	(16,786)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	7,474	-	(7,474)	-	-	-
Balance on December 31, 2021	\$ 4,945,134	\$ 268,647	\$ 64,882	\$ 755,377	\$ 190,023	\$ (103,812)	\$ 501,060	\$ 6,621,311	\$ 776,058	\$ 7,397,369

Chairman: Kuan-Ian Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Item	2021	2020
Cash flows from operating activities		
Current net profit (loss) before tax	\$ 285,244	\$ 310,310
Adjustments		
Income, expenses, and losses		
Depreciation expenses	133,125	131,039
Amortization expenses	2,061	4,074
Expected credit impairment losses (gains)	669	41,445
Net loss (gain) from financial assets and liabilities at fair value through profit or loss	(10,123)	(4,672)
Interest expenses	123,028	123,695
Interest revenue	(456)	(586)
Dividend revenue	(32,631)	(15,669)
Share of loss (profit) of affiliates and joint ventures under the equity method	(165,157)	(175,576)
Loss (gain) from disposal and scrap of property, plant and equipment	325	254
Impairment loss of non-financial assets	8,928	8,805
Loss (gain) due to fair value adjustment in investment property	(5,936)	(30,135)
Other items	-	44
Total income/expense items	<u>53,833</u>	<u>82,718</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (increase) in notes receivable	(102)	10,520
Decrease (increase) in accounts receivable	(72,765)	20,064
Decrease (increase) in other accounts receivable	11,210	18,374
Decrease (increase) of inventory	(62,162)	(107,596)
Decrease (increase) in prepayments	(16,522)	(18,129)
Decrease (increase) in other current assets	(98)	136
Total net changes in assets related to operating activities	<u>(140,439)</u>	<u>(76,631)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	1,198	3,392
Increase (decrease) in notes payable	9,108	16,365
Increase (decrease) in accounts payable	(168,156)	81,710
Increase (decrease) in other payables	16,462	40,310
Increase (decrease) in liability reserve	1,438	338
Increase (decrease) in collections	(54)	100
Increase (decrease) in other current liabilities	29	(268)
Increase (decrease) in net defined benefit liabilities	(21,052)	(13,123)
Total net changes in liabilities related to operating activities	<u>(161,027)</u>	<u>128,824</u>
Total net changes in assets and liabilities related to operating activities	<u>(301,466)</u>	<u>52,193</u>
Total adjustments	<u>(247,633)</u>	<u>134,911</u>
Cash inflow (outflow) from operations	37,611	445,221
Interest received	456	586
Stock dividend received	88,611	53,704
Returned (paid) income tax	(7,336)	(2,722)
Net cash inflow (outflow) from operating activities	<u>119,342</u>	<u>496,789</u>

(Continued)

(Brought forward)

Item	2021	2020
Cash flows from investment activities		
Acquisition of financial assets measured at fair value through other comprehensive income	\$ (19,910)	\$ (3,800)
Disposal of financial assets measured at fair value through other comprehensive income	13,672	-
Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	27,989	-
Acquisition of investment under the equity method	(81,874)	(15,000)
Acquisition of property, plant and equipment	(123,657)	(50,208)
Disposal of property, plant and equipment	457	179
Increase in refundable deposit	(304)	-
Decrease in refundable deposit	-	2,830
Acquisition of intangible assets	(1,283)	(1,636)
Decrease in other financial assets	30,232	40,479
Increase in other non-current assets	(14,117)	-
Decrease in other non-current assets	-	4,227
Net cash inflow (outflow) from investment activities	(168,795)	(22,929)
Cash flow from financing activities		
Increase in short-term loans	2,241	-
Decrease in short-term loans	-	(301,636)
Proceeds from long-term loans	3,070,000	1,000,000
Repayment of long-term loans	(2,850,099)	(934,661)
Increase in guarantee deposits	113	-
Decrease in guarantee deposits	-	(3,377)
Increase (decrease) in other payables	9,325	(1,200)
Lease principle repayment	(12,304)	(11,430)
Interest paid	(121,491)	(124,524)
Changes in non-controlling equity	(16,786)	(6,083)
Net cash inflow (outflow) from financing activities	80,999	(382,911)
Impact of change in exchange rate upon cash & cash equivalents	(13,478)	(35,487)
Increase (decrease) in cash and cash equivalents in the current period	18,068	55,462
Balance of cash and cash equivalents, beginning	669,519	614,057
Balance of cash and cash equivalents, ending	\$ 687,587	\$ 669,519

Chairman: Kuan-Han Chen

Manager: Chih-Chan Chen

Head of Accounting: He-Shun Chang

AGV Products Corporation
2021 Appropriation of Earnings

Unit: NTD

Summary	Amount
Undistributed earnings at beginning	-
Actuarial income on defined benefit plan recognized in retained earnings	(11,053,913)
Changes of affiliates and joint ventures under the equity method	(7,579,998)
Disposal of equity instrument measured at fair value through other comprehensive income	7,473,887
Adjusted undistributed earnings	(11,160,024)
2021 net profit (loss) after tax	201,182,206
Distributable earnings	190,022,182
Allocated legal reserve	(19,002,218)
Allocated special reserve	(8,327,557)
Distributed shareholder cash dividend at NTD 0.3 per share	(148,354,001)
Undistributed earnings at ending	14,338,406

Chairman:

President:

Accounting Officer:

Articles of Incorporation of AGV Products Corporation

Amendment approved at the annual shareholders' meeting
on June 27, 2019

Chapter 1 General Rules

Article 1 The Company was organized in accordance with the regulations governing companies limited by shares in the Company Act and was named AGV Products Corporation.

Article 2 The business items of the Company are as follows:

- (1) Manufacturing, processing, and sales of canned foods, such as vegetables, fruit, meat, aquatic products, kelp, shellfish, beans, mushrooms, bamboo shoots, pickles, vegetable foods, thick soup, and congee.
- (2) Manufacturing, processing, and sales of fruit and vegetable juice, soft drinks, mineral water, packaged drinking water, sport drinks, coffee, tea, herbal tea, soy (rice) milk, and energy drinks.
- (3) Manufacturing, processing, and sales of frozen vegetables and fruit, meat, aquatic products, frozen noodle jelly, frozen dough, frozen mixed foods, and frozen prepared foods.
- (4) Manufacturing, processing, and sales of instant noodles, instant rice noodles, noodle or rice-made products and noodle jelly, as well as purveying, processing, and sales of instant foods.
- (5) Manufacturing, processing, and sales of fermented foods, soy sauce, miso, vinegar, condiment sauce (satay sauce, chili sauce, salad dressing, mayonnaise, barbecue sauce, fried pork paste, and peanut butter) and seasoning.
- (6) Manufacturing, processing, and sales of dairy products (fresh milk, long-life milk, dried milk, cheese, condensed milk and butter oil), flavored milk, fermented milk and iced desserts.
- (7) Manufacturing, processing, and sales of cooking oil, dehydrated or smoked foods, jam, pudding, jelly, fruit pectin foods, candies, cakes and pastries, and bread.
- (8) Manufacturing, processing, and sales of tea products, bean products, cereal products, and animal feed.
- (9) Manufacturing, processing, and sales of green and blue algae, chicken essence, garlic (essence), edible pollen, ganoderma lucidum, royal jelly, oligosaccharide, enzymes, and foods.
- (10) Export and import of the above-mentioned products and their materials.

- (11) Sales, export, and import of beers, light wines, spirits, and alcohol.
- (12) Operation of farms, fish farms, pastures, amusement parks, department stores, super markets, tourist hotels, and restaurants.
- (13) Rental and sales of public housing and commercial buildings built by construction contractors
- (14) Diagnosis, analysis, consultation, and advisement of business management (excluding CPA and security investment consultant businesses).
- (15) Design of computer and peripheral software.
- (16) Installation of vending machines.
- (17) C802041 Manufacture of Drugs and Medicines.
- (18) C802051 Manufacture of Chinese Medicines.
- (19) CC01050 Data Storage Media Units Manufacturing.
- (20) CC01060 Wired Communication Mechanical Equipment Manufacturing.
- (21) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- (22) CC01080 Electronics Components Manufacturing.
- (23) CH01010 Sporting Goods Manufacturing.
- (24) CK01010 Footwear Manufacturing.
- (25) E605010 Computer Equipment Installation.
- (26) E701010 Telecommunications Engineering.
- (27) E701020 Satellite Television KU Channels and Channel C Equipment Installation.
- (28) F102160 Wholesale of Assist Food Products.
- (29) F104030 Wholesale of Shoes.
- (30) F108011 Wholesale of Traditional Chinese Medicine.
- (31) F108021 Wholesale of Western Pharmaceutical.
- (32) F109030 Wholesale of Sporting goods.
- (33) F204030 Retail sale of Shoes.
- (34) F208011 Retail Sale of Traditional Chinese Medicine.
- (35) F208021 Retail Sale of Western Pharmaceutical.
- (36) F209020 Retail Sale of Sporting goods.
- (37) I104010 Nutrition Advisors.
- (38) I301020 Data Processing Services.
- (39) I301030 Electronic Information Supply Services.
- (40) F399010 Convenience Stores.
- (41) F301020 Supermarkets.
- (42) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may offer guarantees to foreign companies for

business needs.

Article 3 The Company is located in Chiayi County of Taiwan. If necessary, a branch or factory may, at the resolution of the Broad of Directors, be established domestically or overseas. The same shall apply to the withdrawal or transfer.

Article 3-1 The Company shall not be a shareholder of unlimited liability in another company or a partner of a partnership enterprise. When the Company becomes a limited liability shareholder in other companies, the total amount of its investments in such other companies shall not be limited by the restriction of the total investment amount in Article 13 of the Company Act. However, the investment in long-term equity shall be determined by the responsible unit within the authorization scope and according to the Company's handling procedures of acquisition or disposition of assets.

Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5 The total capital of the Company shall be in the amount of NTD 8.8 billion, divided into 880 million shares, at NTD 10 per share. The Broad of Directors shall be authorized to issue the unissued shares separately. Preferred shares worth up to the total amount mentioned above may be issued.

Article 5-1 The Company issues preferred shares B, and the rights, obligations, and other important matters are described as follows:

1. When there are surplus earnings after closing of the accounts in a fiscal year, in addition to making up the accumulated losses from past years and paying all taxes, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve and a special reserve shall be appropriated according to the laws. The remaining balance shall be added to the accumulated undistributed earnings in the previous year to first distribute the current dividends and undistributed dividends of preferred shares B accumulated in previous years.
2. The Company's dividend for preferred shares B shall be determined at an annual percentage rate ranging from 2%~7%.
3. Preferred share dividends shall be calculated at the actual issue price. After the final accounting reports and statements are approved at an annual shareholders'

meeting, the Board of Directors shall determine an ex-dividend date for preferred shares, following which the preferred share dividends in the previous year shall be distributed in cash, and the dividends in the issuance year shall be calculated based on the actual number of days after issuance of the preferred shares in the year. The capital increase record date shall be the date of issuance of the preferred shares.

4. If there are no earnings after closing of the accounts in a fiscal year or the earnings are insufficient for distribution of preferred share B dividends, the undistributed dividends or deficiency dividends shall be accumulated at a dividend rate compounded annually and shall, as a priority, be made up in a subsequent year with earnings.
5. Preferred shares B shall be due after three years from the date of issuance and shall be non-convertible before the expiration. The Company shall compulsorily convert one preferred share B into one ordinary share within three months after the expiration. After the preferred shares B are converted into ordinary shares according to this subparagraph, the accumulated undistributed dividends shall be made up first in a subsequent year with earnings.
6. If preferred shares B are converted into ordinary shares before an ex-rights (ex-dividend) date, the shares shall participate in conversion of the earnings and capital reserves for distribution in the previous year with respect to the ordinary shares, which is resolved at the shareholders' meeting in the current year, and the preferred share dividends for distribution in the previous year resolved at the shareholders' meeting in the current year shall not be converted. When preferred shares B are converted into ordinary shares after an ex-rights (ex-dividend) date, the shares shall participate in the distribution of the preferred share dividends in the previous year resolved at the shareholders' meeting in the current year, and shall not participate in the conversion of the earnings and capital reserves for distribution in the previous year with respect to the ordinary shares, which is resolved at the shareholders' meeting in the current year. The preferred share dividends and ordinary share dividends in the same year shall not be re-distributed.
7. Except for preferred share dividends, preferred shares B shall not participate in the distribution of earnings and

capital reserves with respect to ordinary shares.

8. The distribution of the Company's residual property for preferred shares B shall have priority over the same for ordinary shares and shall be limited to the amount of issuing the preferred shares.

9. The shareholders of preferred shares B have no voting rights or the right to elect directors in ordinary shareholders' meetings, but may be elected as directors.

10. When the Company issues new shares for cash, the shareholders of preferred shares B and the ordinary shareholders shall have the same preemptive rights.

Article 6 The shares of the Company shall be in registered form, shall be signed or sealed by the Director representing the Company, and may be issued after certification according to the laws. The shares may be issued without printing share certificates and shall be registered with a centralized securities depository enterprise.

Article 7 Shareholders shall provide their names or titles and residences to the Company, fill out a seal and signature card, and submit it to the Company for future reference. In case of loss of the seal, a new seal may be substituted after the loss is reported to the Company in writing.

Article 8 For transfer of shares, the assignor and assignee shall complete a form of "application for transfer of shares" and submit it together with the shares to the Company for transfer of ownership. After the information is recorded in the shareholders' roster of the Company in accordance with the laws, the transfer may be set up against the Company.

Article 9 In case of loss or damage of shares, the situation shall be handled in accordance with the Company Act and general regulations.

Article 10 When processing a shareholder's application to issue shares for replacement due to splits where such shares do not exceed 1,000 shares, the Company may charge a handling fee, except where the shares are obtained through inheritance. Other shareholder services shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the competent authority.

Article 11 The transfer of share ownership shall be suspended for sixty days prior to an annual shareholders' meeting, for thirty days before convening an extraordinary shareholders' meeting, or for five days prior to the target date fixed by the Company for distribution of dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meeting

- Article 12 The shareholder's meetings are classified into annual meetings and extraordinary meetings. An annual meeting is held every year and shall be convened within six months after the end of each fiscal year, and the Board of Directors shall give notice to shareholders thirty days prior to the meeting. An extraordinary meeting may be held pursuant to the laws, if needed. Shareholders holding less than 1,000 registered shares may be informed with the announcement on the Market Observation Post System.
- Article 13 Where a shareholder is unable to be present at a shareholders' meeting for whatever reasons, the shareholder may appoint a proxy by issuing the Company's proxy form with their signature or seal, which specifies the scope of authorization. In addition to Article 177 of the Company Act, shareholders' attendance by proxies shall be subject to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority.
- Article 14 The Chairman shall chair shareholders' meetings. In case the Chairman is on leave or cannot exercise his/her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.
- Article 15 Unless otherwise specified in the laws, each shareholder of the Company shall have one voting right for each share held.
- Article 16 Unless otherwise specified in the Company Act, resolutions in a shareholders' meeting shall be adopted by a majority vote in the meeting which is attended by shareholders representing a majority of the total issued shares.
The Company's shareholders may exercise their voting rights in electronic form, and shareholders exercising their voting rights in electronic form shall be deemed to attend the meeting in person. All relevant matters shall be handled in accordance with the regulations.
- Article 17 Matters related to the resolutions of a shareholders' meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and shall be distributed to each shareholder within twenty days after the meeting.

The distribution of the meeting minutes may be effected by means of a public notice.

The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results. The minutes shall be kept persistently throughout the life of the Company. The attendance list bearing the signatures of shareholders present at the meeting and the power of attorney of the proxies shall be maintained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the attendance list and the power of attorney shall be kept until the legal proceedings of the foregoing lawsuit are concluded.

Chapter 4 Directors and Audit Committee

- Article 18 The Company shall appoint seven to nine Directors, and the number of Independent Directors among the said Directors shall not be less than three and shall not be less than one-fifth of the total number of the Directors. The candidate nomination system shall be adopted for the election of all Directors, and the method of nomination shall be subject to Article 192-1 of the Company Act. The term of office of the Directors is three years and may be renewed by reelection in subsequent elections. The total number of registered shares holding by all Directors shall be subject to the regulations specified by the competent authority.
- Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of the out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 20 To organize the Board of Directors, a Chairman and a Vice Chairman shall be elected by a majority vote at a meeting attended by more than two-thirds of the Directors. Both shall implement all the matters of the Company pursuant to laws, regulations, Articles of Incorporation, and the resolutions of the shareholders' and Board of Directors' meetings
- Article 21 When the number of vacancies left by the discharged Directors equals one third of the number specified in the Articles of Incorporation, the Board of Directors shall call a shareholders' meeting to elect succeeding Directors to fill the vacancies. The term of office of the succeeding Directors shall be limited to fulfilling the original term of office of the predecessor.
- Article 22 The Board of Directors' meetings of the Company shall be

convened at least once every quarter. The Board of Directors shall indicate the reasons for the convention and inform each Director 7 days beforehand. An extraordinary shareholders' meeting may be convened in emergency circumstances whenever necessary. The notice about convention of Board of Directors' meetings to Directors may be effected by letter, fax or e-mail. The Chairman shall convene and preside over the Company's Board of Directors' meeting. In case the Chairman is on leave or cannot exercise his/her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.

Article 23 Unless otherwise specified in the Company Act, the resolutions of the Board of Directors' meeting shall be passed by a majority vote at a meeting attended by more than half of the Directors. Any Directors, who are unable to be present at the meeting for whatever reasons, may appoint other directors to attend meetings on their behalf by issuing a proxy form detailing the extent of authorities delegated to the proxy attendant based on the reasons for the meeting. Each director may only accept the delegation from one director. Where a Board of directors' meeting is held in the form of a video conference, Directors attending the meeting through video conference shall be deemed to attend the meeting in person.

Article 24 Discussions at the Board of Directors' meeting shall be recorded in the meeting minutes. They shall be signed or stamped by the Chairman of the meeting and distributed to each Director within 20 days after close of the meeting. The meeting minutes shall record a summary of the essential points of the proceedings and the result of the discussion. The attendance list bearing the signatures of the Directors present at the meeting and the power of attorney of the proxies shall be maintained together with the meeting minutes in the Company.

Article 25 The Company established an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee is comprised of all the Directors.

The Audit Committee is responsible for exercising the power of the Supervisors pursuant to the Company Act, Securities and Exchange Act and other laws and regulations, and shall observe relevant laws and the rules of the Company.

Article 26 The monthly transportation allowance for the Directors shall be paid with reference to the level of the peers in the practice without regard to profit and loss. The remuneration to the Chairman and Directors for their execution of duties for the Company shall be paid without regard to profit and loss. The Board of Directors is authorized to determine the remuneration based on their individual level of participation in and the value of contribution to the operation of the Company with reference to the level of peers in practice.

Article 26-1 The Company may obtain liability insurance for the Directors to secure them against potential responsibility that may be brought about during execution of their duties.

Chapter 5 Managers and Staff Members

Article 27 The Company may appoint managers. Appointment, discharge and remuneration of the managers are subject to Article 29 of the Company Act.

Article 28 The Company may hire consultants and important staff members after resolution at the Board of Directors' meeting.

Chapter 6 Final Accounts

Article 29 The Board of Directors is responsible for preparing the following statements and reports at the end of each financial year and submit them to the shareholders' meeting for approval.

(1) Business report

(2) Financial statements

(3) Proposal for distribution of surplus earnings or covering losses

Article 30 The Company shall set aside the annual profit, if any, at the following rates as the remuneration to the Directors and Employees: (1) Remuneration to Directors: No more than 1% (included). (2) Remuneration for employees: No less than 1% (included) and distributed in the form of stock or cash; distribution of the remuneration to employees and Directors shall be approved by a majority vote at a meeting attended by more than two thirds of the Directors, and shall be reported to the shareholders' meeting. Where the Company has any cumulative loss, the profit shall be reserved to offset the loss before being allocated as the remuneration to the employees and Directors at the rates referred to in the preceding paragraph.

Article 30-1 When there is surplus earnings after closing of the accounts in a fiscal year, in addition to withholding payable taxes and

make up the losses from past years, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve and the reductions of shareholders' equity occurring in the current year shall be provided or a special reserve shall be reversed. After the dividends to be allocated in the current distribution year of preferred shares and the accumulated undistributed dividends in previous years are distributed, the Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting, and shall distribute the balance, excluding the part reserved and not to be distributed, after the distribution is approved at the shareholders' meeting.

The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distribute dividends in the form of stock and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed by cash at a rate not less than 10% (included) than the total distributable dividends in the current year. Dividends in cash will not be distributed if the amount of the dividends distributable per share is less than NTD 0.1 and dividends in stock will be distributed as a replacement.

Article 30-2 The treasury stocks that the Company purchases legally may be transferred the employees of affiliated companies that satisfy certain criteria. These criteria and the purchase methods are determined by the Board of Directors.

When issuing new stocks, the employees of affiliated companies that satisfy certain criteria may purchase these stocks. These criteria and the purchase methods are determined by the Board of Directors.

Chapter 7 Supplemental Provisions

Article 31 The organizational charter of the Company and execution rules of the Company are established by the Board of Directors separately.

Article 32 Any matters not specified in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 33 The Articles of Incorporation was established on June 14, 1971.

The 1st amendment was made on August 17, 1972. The 2nd amendment was made on September 5, 1974. The 3rd amendment was made on September 5, 1975. The 4th amendment was made on July 29, 1980. The 5th amendment was made on August 15, 1982. The 6th amendment was made on September 6, 1983. The 7th amendment was made on October 20, 1983. The 8th amendment was made on April 15, 1974. The 9th amendment was made on April 10, 1985. The 10th amendment was made on December 30, 1985. The 11th amendment was made on April 29, 1986. The 12th amendment was made on August 1, 1986. The 13th amendment was made on May 24, 1988. The 14th amendment was made on May 27, 1989. The 15th amendment was made on May 21, 1990. The 16th amendment was made on May 21, 1991. The 17th amendment was made on June 16, 1992. The 18th amendment was made on June 5, 1993. The 19th amendment was made on May 26, 1994. The 20th amendment was made on May 25, 1995. The 21th amendment was made on May 22, 1997. The 22th amendment was made on May 27, 1998. The 23th amendment was made on May 27, 1999. The 24th amendment was made on December 14, 1999. The 25th amendment was made on May 31, 2000. The 26th amendment was made on May 29, 2001. The 27th amendment was made on May 30, 2002. The 28th amendment was amended on May 29, 2003. The 29th amendment was made on June 14, 2006. The 30th amendment was made on June 13, 2007. The 31st amendment was made on June 30, 2008. The 32nd amendment was made on June 19, 2009. The 33rd amendment was made on June 17, 2010. The 34th amendment was made on June 27, 2012. The 35th amendment was made on June 28, 2013. The 36th amendment was made on June 25, 2015. The 37th amendment was made on June 28, 2016. The 38th amendment was made on June 27, 2019.

AGV Products Corporation

Procedure for Acquisition or Disposal of Assets

Chapter 1. General Rules

Article 1: Purpose:

The Company's acquisition or disposal of assets shall follow the Procedure in order to protect assets and implement information disclosure.

Article 2: Legal basis:

The Procedure is enacted in accordance with Article 36-1 of the Securities and Exchange Act, and related requirements under the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" defined by Financial Supervisory Commission ("FSC") (hereinafter referred to as the "Regulations").

Article 3: The scope of assets referred to in the Procedure:

I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.

II. Real property (including land, houses and buildings, and investment property) and equipment.

III. Patents, copyrights, trademarks, franchise rights, and other intangible assets.

IV. Right-of-use assets.

V. Derivatives.

VI. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

VII. Other assets.

Article 4: Definitions of terms used herein:

I. 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-sale service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

II.Assets acquired or disposed through mergers, demergers, acquisitions, or transfers 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 or other laws, or to transfers 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.

III.Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IV.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.

V.Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors' resolutions, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier; provided that 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.

VI.Mainland China area investment: Refers to investments in the mainland China area approved by the Investment Commission, Ministry of Economic Affairs, or conducted in accordance with the

provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

VII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "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.

VIII. Over-the-counter venue ("OTC venue"): "Domestic OTC venue" refers to a venue for over-the-counter ("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: Ask professional appraisers for an appraisal report:

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

I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange 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.

II. May not be a related party or de facto related party of

any party to the transaction.

III.If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

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

I.Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

II.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.

III.They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

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

Chapter 2. Procedure

Section 1. Acquisition or Disposal of Assets

Article 6:Appraisal procedure - acquisition or disposal of real property, equipment or right-of-use assets thereof

I.When the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, 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 operating purpose, the price thereof shall be decided in the manner and based on the reference researched and set by the project team consisting of the dedicated supervisor and handlers. The research conclusion and trading conditions (including price and payment terms, etc.) shall be submitted for approval in the reporting system and resolved pursuant to the Company's regulations governing level of authority.

II. Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.

The appraisal report shall further comply with the following provisions:

(I) 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 are any subsequent changes to the terms and conditions of the transaction.

(II) Where the transaction amount is NTD 1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to

perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the 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% or more of the transaction amount.
2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.

(IV) 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 that 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 7: Appraisal procedure - acquisition or disposal of securities:

- I. 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.
- II. Where any of the following circumstances are met, and the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF:

(I) Acquisition or disposal of securities not traded at

securities exchanges or over-the-counter venues.

(II) Acquisition or disposal of private placement securities.

This requirement does not apply, however, to the publicly quoted price of securities that have an active market, or if any of the following circumstances is met:

- (1) Securities acquired for capital investment in cash pursuant to incorporation by promoters or incorporation by offering under the law, and such securities represent the value or entitlements equivalent to the percentage of capital contribution.
- (2) Participation in subscription to securities issued by the target company at par value pursuant to capital increase in cash in accordance with the applicable laws.
- (3) Participation in subscription to securities issued by the 100% investee company, directly or indirectly, pursuant to capital increase in cash, or, the subscription to securities issued pursuant to capital increase in cash between the 100% subsidiaries.
- (4) Securities or emerging stocks listed and traded at securities exchanges or over-the-counter venues.
- (5) Bonds that are domestic government bonds, or under repurchase or reverse repurchase agreements.
- (6) Public funds.
- (7) TWSE or TPEX listed stocks acquired or disposed of in accordance with the TWSE or TPEX rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
- (8) Securities acquired through share subscription pursuant to capital increase in cash of a public company, or through the subscription to corporate bonds (including bank debentures) in Taiwan, and are not private placements.

(9) Subscription to domestic private funds before the establishment of the fund, or the subscription or redemption of domestic private funds, in accordance with Paragraph 1 of Article 11 of the Securities Investment Trust and Consulting Act, provided that the trust agreement specifies that the investment strategies conform to the scope of investment in public funds except for the securities margin transactions and open positions held in securities-related products.

Article 8: Appraisal procedure - acquisition or disposal of intangible assets or right-of-use assets thereof

I. Where the transaction amount reaches 20% of the Company's paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall obtain an appraisal report on the reasonableness of the transaction price prior to the date of occurrence of the event from a professional appraiser.

II. The CPA shall handle matters in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 8-1: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Paragraph 2 of Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained pursuant to the Regulations need not be counted toward the transaction amount.

Article 9: Appraisal procedure - acquisition or disposal of assets through court auction procedures:

The evidentiary documentation issued by the court may be used to substitute the appraisal report or CPA opinion.

Article 10: Operating procedure:

Procedure for determination of trading conditions:

- I. The procedure for the determination of trading conditions for acquisition or disposal of assets, and the reference basis thereof, are as follows:
 - (I) The transaction price for acquisition or disposition of securities traded on centralized securities exchange markets (hereinafter referred to as the centralized exchange markets), Taipei Exchange (hereinafter referred to as TPEX) or over-the-counter venues shall be decided based on the price of the stock or securities prevailing at that moment.
 - (II) The Company shall, prior to acquisition or disposition of equity traded on the centralized exchange markets, TPEX or over-the-counter venues, take into account the net worth per share, profitability and future development potential.
 - (III) The Company shall, prior to acquisition or disposition of bonds traded on the centralized exchange markets, TPEX or over-the-counter venue, take into account the market interest rate, coupon rate and debtor's credit rating prevailing at that moment.
 - (IV) The transaction price for acquisition or disposition of any real property or the right-of-use assets thereof shall be decided based on the announced current value, assessed value, actual transaction price of adjacent real property, or appraisal report issued by a professional appraisal organization.
 - (V) The acquisition or disposal of equipment shall be done in through price comparison, bargaining, or a tender.

II. Execution Unit:

- (I) Wealth management and investment: Financial

Dept.

(II) Real property and equipment: The requesting departments and its related responsible units.

(III) Intangible assets: Legal Affairs Office

(IV) Derivatives: Financial Dept.

(V) Assets in connection with transfers of shares: Financial Dept.

(VI) Other important assets: The requesting departments and its related responsible units.

III. Authorized limit, level of authority and trading procedure: The Company's acquisition or disposal of assets is decided by the responsible unit within the scope of its powers.

The scope of assets referred to in Article 3 herein including long-term/short-term investment, real property, right-of-use assets and equipment shall be handled subject to the division of authority and responsibility chart defined by the Company's hierarchical responsibility regulations.

Transactions for long-term/short-term investment, real property, right-of-use assets or equipment amounting to more than NTD 50 million but less than NTD 100 million shall be submitted to the earliest Board of Directors' meeting for approval. Transaction amounting to more than NTD 100 million shall be subject to prior approval of the Audit Committee, and may then be carried out only upon approval by the Board of Directors.

Authorized amount per transaction: Refers to the cumulative transaction amount of acquisitions and disposals of the same long-term/short-term investment, real property, right-of-use assets or equipment with the same trading counterparty within the preceding year (the year preceding the date of occurrence of the current transaction).

Note: The "cumulative transaction amount" refers to the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals,

respectively) of the same security within the preceding year (the year preceding the date of occurrence of the current transaction).

IV. With respect to transactions for the acquisition or disposal of equipment for business use and the right-of-use assets thereof, or the right-of-use assets of real property for business use, conducted between the Company and its subsidiaries, the Company's Chairman is authorized to decide such matters when the transaction is within NTD 300 million (inclusive) and subsequently submit the decision for ratification by the next Board of Directors' meeting.

Section 2. Transactions of the related party

Article 11: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised pursuant to the preceding section and this section, if the transaction amount reaches more than 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion pursuant to the preceding section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 8-1 herein.

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

Article 12: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches more than 20% of the Company's paid-in capital, more than 10% of the Company's total assets, or more than NTD 300 million, except for the trading of domestic government bonds or bonds under repurchase and resale

agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and resolved by the Board of Directors:

- I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets
- II. The reason for choosing the related party as a trading counterparty.
- III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14 herein.
- IV. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship with the Company and the related party.
- V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction and the reasonableness of the funds utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
- VII. 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 Paragraph 2 of Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained pursuant to the Regulations, and approved by the Audit Committee and resolved by the Board of Directors need not be counted toward the transaction amount.

When the types of transactions listed below are to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may, pursuant to Paragraph 1, subparagraph 4 of Article 10, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

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

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

When the Company submits the report for discussion to the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors' meeting.

The regulations of Paragraphs 4 and 5 of Article 35 herein shall apply *mutatis mutandis* for proposals to be approved by a majority of all Audit Committee members and submitted to the Board of Directors in accordance with Paragraph 1.

Article 13: Acquisition or disposal of property, equipment or right-of-use assets thereof - evaluation of the reasonableness of the transaction costs:

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

II. Total loan value appraisal from a financial institution

where the related party has previously created a mortgage on the property as security for a loan; provided that 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 trading 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 any of the means listed in the preceding paragraph.

Where the Company acquires real property or right-of-use assets thereof from a related party, it shall appraise the cost of the real property or right-of-use assets thereof in accordance with Paragraph 1 and Paragraph 2 and shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company 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 Article 12 herein, and the preceding three paragraphs do not apply:

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

IV. 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.

V. The real property is acquired through the execution of a joint development contract with the related party, or through a contract to a related party to build real property, either on the Company's own land or on rented land.

VI. The real property right-of-use assets for business use

are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 14: When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 are both lower than the transaction price, the matter shall be handled in compliance with Article 15 herein. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on the reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:

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

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

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

II. Where the Company, with respect to the purchase of

real property or acquisition of 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.

Said completed transactions involving neighboring or closely valued parcels of land 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% of the property in the planned transaction; within the preceding year refers to the year preceding to the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

Article 15: Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 13 and Article 14 are uniformly lower than the transaction price, the following steps shall be taken:

I. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 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 the investor using the equity method to account for its investment in the Company is a public company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the public company's equity stake in the Company.

II. The Audit Committee shall comply with Article 218 of the Company Act.

III. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

After the Company has set aside a special reserve in accordance with the preceding paragraph, it 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 FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Section 3. Engagement in derivatives transactions

Article 16: Trading principles and policies:

I. Type of transaction: Refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index or other benefits; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

II. Operating and hedging strategies

The Company engages in derivatives trading for the purpose of hedging against risks and not for the purpose of trading. The hedging strategies shall be determined subject to the nature of hedged assets or liabilities and expectation toward the future. Each related unit shall perform its job duty precisely and pay attention to risk management.

III.Division of authority and responsibility

(I)Financial Department

1. Responsible for formulation of the financial instrument trading strategies.
2. Collect market information, become familiar with related laws and operating skills, engage in transactions subject to the responsible supervisor's prior approval and authorized position to evade risk, and conduct periodic assessment.

(II)Accounting Department

Responsible for confirming transactions and verifying the balance of positions.

IV.Performance Evaluation Guidelines

The Financial Department shall prepare the performance evaluation report periodically to enable the management to understand the execution unit's performance. The report shall contain the following information:

- (I) Nature and amount of the derivatives held by the Company.
- (II) Amount of assets or liabilities already hedged.
- (III) Realized and unrealized income.
- (IV) Transaction costs.
- (V) Funding costs.

V.Total tradable contract amount.

- (I) The forward foreign exchange hedging transactions shall estimate the long-term/short-term net positions, and may be fully hedged.
- (II) The total amount of the other individual derivatives transaction contracts shall be no more than 5% of the related tangible assets or liabilities.
- (III) The cumulative total amount of derivatives transaction contracts shall be no more than 10% of the Company's net worth.

VI.Limit of aggregate losses or losses on individual contracts

It is not necessary to set the maximum loss limit on the Company's derivatives trading for hedging, provided that the maximum loss on the Company's specific derivatives trading shall be no more than 5% of the transaction amount.

Article 17: Risk management measures:

- I. The risk management shall cover credit, market price, liquidity, cash flow, operational and legal risks.
- II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- III. 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.
- IV. Derivatives trading positions held shall be evaluated at least once per week; however, positions for transactions for hedging required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
- V. Other important risk management measures

Article 18: Risk measurement, monitoring and control:

The Board of Directors shall faithfully supervise and manage the Company's derivatives trading in accordance with the following principles:

- I. Designate senior management personnel to pay continuous attention to supervision and control of derivatives trading risk.
- II. Periodically evaluate whether derivatives trading performance is consistent with the established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

The senior management personnel authorized by the Board of Directors shall manage derivatives trading in

accordance with the following principles:

- I. Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the Regulations and the procedures for engaging in derivatives trading formulated by the Company.
- II. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and reported immediately to the Board of Directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion.

The Company shall report to the earliest meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with the procedures for engaging in derivatives trading.

Article 19: Internal audit system:

- I. The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct 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. If any material violation is discovered, all Audit Committee members shall be notified in writing.
- II. The internal audit unit shall set forth the operating procedures for auditing derivatives trading and include them in the Enforcement Rules for Internal Audit.

Article 20: Regular evaluation methods and the handling of irregular circumstances:

- I. To engage in any derivatives trading, it is necessary to complete the "Derivatives Trading Application Form" and proceed with the transaction only after obtaining the responsible supervisor's approval.
- II. Upon verifying the "Derivatives Trading Application

Form” and the filled order, the accounting unit shall enter the account, and then check it with the statement of account sent by the bank or trading counterpart each month to make sure whether the outstanding or open contract amount is identical with the deposit. The variance, if any, shall be verified immediately and reported to the execution unit and immediate supervisor for resolution.

III. In order to supervise the derivatives trading and prevent any worker's fraud from causing loss to the Company, the Company sets forth the regular evaluation methods and the handling of irregular circumstances:

(I) Risk management measures

1. Credit risk: The trading counterparties in the derivatives trading which the Company engages shall be banks or legal brokers.
2. Market risk: Primarily in public foreign exchange markets with banks and customers.
3. Liquidity risk: In order to ensure the market liquidity, the Company primarily chooses financial instruments with high liquidity (which may be set off on the market at any time). The trading banks or institutions must control sufficient information and be able to engage in trading in any market at any time.
4. Legal risk: The Company must execute contracts with all trading counterparties in derivatives trading. In addition, in each transaction, it is necessary to obtain the legal trading documents acknowledged and executed by the trading counterparties, in order to ensure the validity of each transaction and avoid the legal risk arising from the derivatives trading.

(II) Internal control over operating procedure

1. When engaging in derivatives trading, the Financial Department shall establish a log book in which the 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 subparagraph 4 of Article 17 and subparagraph 2 of Paragraph 1 and subparagraph 1 of Paragraph 2 of Article 18 shall be recorded in detail.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. The personnel engaged in the trading shall deliver the trading documents or contracts to the personnel engaged in confirmation operations to record.
4. The personnel engaged in confirmation operations shall check with the trading banks periodically to confirm the details of transactions.

(III) Periodic evaluation

The Board of Directors shall designate senior management personnel to pay continuous attention to supervision and control of derivatives trading risk, and periodically evaluate whether the trading is consistent with the established operational strategy and the risk undertaken. When irregular circumstances are found in the market value appraisal report, the same shall be reported to the Board of Directors and appropriate measures shall be adopted.

Section 4. Mergers and Consolidations, Demergers, Acquisitions, and Transfers of Shares

Article 21: When conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors' meeting

to resolve the matter, the Company shall engage a CPA, attorney-at-law, 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 approval. However, the requirement for obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company 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 the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 22: The Company shall prepare a public report to shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in Paragraph 1 of this provision when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Further, 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 a lack of 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 preliminary date of the next shareholders' meeting.

Article 23: 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 FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall convene a Board of Directors' meeting on the day of the transaction, unless other laws provide otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on the over-the-counter venue shall prepare a full written record of the following information and retain it for 5 years for reference:

I. Personnel profile: Including the job 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.

II. Dates of material events: Including the dates of execution of any letters of intent or memorandums of understanding, appointment of a financial or legal advisor, execution of a contract, and convening of a Board of Directors' meeting.

III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letters of intent or memorandums of understanding, material contracts, and minutes of Board of Directors' meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on the over-the-counter venue shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and

via the Internet-based information system) the information set out in the subparagraphs 1 and 2 of the preceding paragraph to the FSC to record.

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 over-the-counter venue, companies listed on an exchange or with shares traded on an over-the-counter venue shall sign an agreement requiring matters to be handled in accordance with Paragraph 3 and Paragraph 4.

Article 24: 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.

Article 25: When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and it shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

I. 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.

II. Disposal of the Company's major assets that affects the Company's financial operations.

III. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock pursuant to laws.

V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

VI. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 26: The contract 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:

I. Handling of breach of contract.

II. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for the handling thereof.

IV. The manner of handling changes in the number of participating entities or companies.

V. Preliminary progress schedule for plan execution, and anticipated completion date.

VI. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 27: If, after public disclosure of the information, any company participating in the merger, demerger, acquisition, or transfer of shares intends to further carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed for the merger, demerger, acquisition, or transfer of shares; except 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, in which case such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

Article 28:Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company, and Article 23, Article 24 and Article 27 herein shall apply.

Chapter 3. Announcement and reporting procedure

Article 29:Information disclosure procedure:

Under any of the following circumstances, 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:

- I.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NTD 300 million or more. However, this shall not apply to the 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.
- II.Mergers, demergers, acquisitions, and transfers of shares.
- III.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- IV.Where equipment for business use or right-of-use assets thereof are acquired or disposed of, and furthermore the trading counterparty is not a related

party, and the transaction amount reaches NTD 500 million or more.

V. Acquisition or disposal by the Company engaged in the construction business of real property or right-of-use assets thereof for construction use, and the trading counterparty is not a related party, and the transaction amount reaches NTD 500 million.

VI. Where land is acquired under an arrangement on engaging others to build on the Company'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 trading counterpart is not a related party, and the amount the Company expects to invest in the transaction reaches NTD 500 million.

VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NTD 300 million. However, this shall not apply in the following circumstances:

(I) Trading of domestic government bonds.

(II) Where done by professional investors, securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(III) Trading of bonds under repurchase and resale agreements, or subscription for or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of the transactions referred to in the preceding paragraph shall be calculated as follows:

I. Transaction amount

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

III. 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.

IV. 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 Paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedure need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any of its subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and is thus required to correct it, all the items shall again be publicly announced and reported in their entirety within two days counting inclusively from the date of learning of such

error or omission.

When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and opinions of CPAs, attorneys-at-law and securities underwriters, which shall be retained for at least five years, unless otherwise provided by law.

Article 30: Where any of the following circumstances occur with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding 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:

I. Change, termination, or rescission of a contract signed in regard to the original transaction.

II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

III. Change to the originally publicly announced and reported information.

Article 31: I. Information required to be publicly announced and reported on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

II. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding subparagraph in determining whether, relative to paid-in capital or total assets, it reaches 20% of the Company's paid-in capital or 10% of the Company's total assets and subject to public announcement and regulatory filing under Paragraph 1 of Article 29 herein.

Article 31-1: For the calculation of 10 percent of total assets under the Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers

shall be used.

If the Company's shares have no par value or if the par value of each share is not NTD 10, the transaction amount reaching 20% of the paid-in capital shall be substituted by 10% of the equity attributable to owners of the parent.

Chapter 4. Supplemental Provisions

Article 32:Penalty to be imposed on managers and clerks in violation of the Regulations and Procedures:

Any manager or clerk engaged in acquisition or disposal of assets in violation of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's "Procedure for Acquisition or Disposal of Assets" shall be disciplined in accordance with the Company's "Work Rules", subject to the severity of the case.

Article 33:Procedure for control over subsidiaries' acquisition or disposal of assets:

I.The Company's subsidiaries shall set forth their own procedures for the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by FSC and the Company's "Procedure for Acquisition or Disposal of Assets", and submit the proposals for such procedures to the Company for approval.

II.When engaging in the acquisition or disposal of assets, any subsidiary shall follow its own procedures. Where the authorized limit is beyond the level of authority vested in the subsidiary's management, the subsidiary may not complete the acquisition or disposal until it asks the Company in writing for the Company's comments.

Article 34:The aggregate amount of transactions for real property not for business use or securities acquired by the Company and each subsidiary, and the limit of the transaction for individual securities:

I.The total amount of real property not for business use

- may not exceed 50% of the Company's net worth.
- II. The total amount of long-term/short-term investment in securities may not exceed 150% of the Company's net worth.
- III. The limit of the transaction for individual securities may not exceed 35% of the Company's net worth.

Article 35: Date of Enforcement:

The Procedures shall be enforced after they are approved by the Audit Committee, sent to the Board of Directors for resolution and passed by a shareholders' meeting. The same shall apply to amendments. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the Company submits the Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, 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.

The establishment or amendment of the Procedure shall be approved by a majority of all Audit Committee members, and submitted to the Board of Directors for resolution.

If the approval of a majority of the Audit Committee members as required 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.

The terms "all Audit Committee members" and "all directors" referred to in Paragraph 3 shall be counted as the actual number of persons currently holding those positions.

Article 36: Establishment and amendment:

Date of establishment: May 1995

Date of the 1st amendments: November 1999

Date of the 2nd amendments: May 2000
Date of the 3rd amendments: May 29, 2003
Date of the 4th amendments: June 1, 2004
Date of the 5th amendments: June 13, 2007
Date of the 6th amendments: June 27, 2012
Date of the 7th amendments: June 26, 2014
Date of the 8th amendments: June 28, 2016
Date of the 9th amendments: June 28, 2017
Date of the 10th amendments: June 27, 2019

Name List of Candidates for Director

Proposed by the board of directors

Table of Contents	Name	Educational background	Working experience	Current position	Other related information
1	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	◆ Post-Doctoral Program of Food Science Graduate School, Cornell University	◆ President of Institute of Health Science of AGV Products Corporation	◆ Chairman and also President of Institute of Health Science of AGV Products Corporation ◆ Chairman of Taiwan First Biotechnology Corp. ◆ Adjunct Assistant Professor of Institute of Food Science and Technology, National Taiwan University ◆ President of Taiwan Canners Association (T.C.A)	Shares held: 3,075,450
2	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	◆ MBA of Department of Business Administration, National Cheng Kung University	◆ President of AGV Products Corporation	◆ Vice Chairman of AGV Products Corporation ◆ Vice Chairman of Janfusun Fancyworld Corp.	Shares held: 6,017,049
3	NICE Enterprise Co., Ltd. Representative: Michael Chen	◆ Master, The London School of Economics and Political Science	◆ Standing Director, Bowa Commercial Bank Ltd.	◆ Director and Vice President, International Bills Finance Corporation	Shares held: 20,780,494
4	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	◆ Master of Law, Fu Jen Catholic University	◆ Director of Chang Hwa Bank ◆ Independent Director of Taiwan FamilyMart Co., Ltd.	◆ Licensed Attorney	Shares held: 2,578,000
5	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	◆ Bachelor of Department of Electronic Engineering, Chung Yuan Christian University	◆ Chief Internal Auditor, Assistant Vice President of Administration Dept. and Manager of Information Dept. of AGV Products Corporation	◆ Chairman of Yunlin Dairy Technology Corp. ◆ President of Janfusun Fancyworld Corp.	Shares held: 8,210,007
6	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	◆ MBA of University of Nottingham	◆ Vice President of AGV Products Corporation	◆ President of AGV Products Corporation	Shares held: 2,982,196

Name List of Candidates for Independent Director

Proposed by the board of directors

Table of Contents	Name	Educational background	Working experience	Current position	Reasons for nomination of the independent directors serving three terms of office	Other related information
1	Yung-Fu Tseng	<ul style="list-style-type: none"> ◆ Bachelor, Division of Legal Science of National Taiwan University 	<ul style="list-style-type: none"> ◆ Minister, Political Deputy Minister and Chief Secretary of Ministry of Justice ◆ Deputy Prosecutor General and Head Prosecutor of the Supreme Prosecutors Office ◆ Prosecutor General of Taiwan Taitung District Prosecutors Office, Yunlin District Prosecutors Office, Chiayi District Prosecutors Office, Tainan District Prosecutors Office and Taipei District Prosecutors Office ◆ Prosecutor General of Fuchien Kinmen District Prosecutors Office ◆ Head Prosecutor of Taiwan High Prosecutors 	<ul style="list-style-type: none"> ◆ Independent Director of Chun Yuan Steel Industry Co., Ltd 	N/A	Shares held: 0

Table of Contents	Name	Educational background	Working experience	Current position	Reasons for nomination of the independent directors serving three terms of office	Other related information
			<ul style="list-style-type: none"> Office ◆ Head Prosecutor of Taiwan Taichung District Prosecutors Office ◆ Judge of Taiwan Chiayi District Court 			
2	Yung-Chien Wu	<ul style="list-style-type: none"> ◆ Bachelor, Division of Legal Science of National Taiwan University ◆ Master/Doctor of Law, University of Washington 	<ul style="list-style-type: none"> ◆ Chairman of Association of Private Universities and Colleges ◆ Chairman of Taipei Public Access Channel Association ◆ Chairman of the ROC National Press Council ◆ Chairman of the Referendum Review Commission of Executive Yuan ◆ Member of Public Service Pension Fund Management Board ◆ Independent Director of IBF Financial Holdings Co., Ltd. ◆ Independent Director of International Bills Finance Corporation ◆ Independent 	<ul style="list-style-type: none"> ◆ President and Professor of Law at Shih Hsin University ◆ Convener of Audit Committee of AGV Products Corporation ◆ Chairman of the ROC Journalism Oversight Committee ◆ Member and Arbitrator of Chinese Arbitration Association Court of Arbitration ◆ Director of Eastern Broadcasting Co., Ltd. (EBC) 	N/A	Shares held: 0

Table of Contents	Name	Educational background	Working experience	Current position	Reasons for nomination of the independent directors serving three terms of office	Other related information
			Director of Taiwan High Speed Rail Corporation ◆ Standing Supervisor of Chinese Television System (CTS)			
3	Wei-Lung Chen	◆ Bachelor of Laws (Financial and Economic Law Division), National Chengchi University ◆ MBA, National Taiwan University	◆ Deputy Director-General, Insurance Bureau, FSC ◆ Deputy Director-General, Securities and Futures Bureau, FSC ◆ Chairman of SinoPac Securities ◆ President of Securities and Futures Institute	◆ Independent Director of IBF Financial Holdings Co., Ltd. ◆ Independent Director of Janfusun Fancyworld Corp. ◆ Independent Director of Ocean Plastics Co., Ltd. ◆ Convener of Remuneration Committee of AGV Products Corporation	N/A	Shares held: 0

Data Sheet of Candidates for Director (Including Independent Directors) Concurrently Holding any Position in Another Company

Title	Name	Concurrent positions in other companies
Juristic-Person Director	Taiwan First Biotechnology Corp.	Director of Taiwan NJC Corporation Director of Tongjitang Medicinal Biotech Corp. Director of Andekang International Co., Ltd. Director of Yunlin Dairy Technology Corp. Director of Aique International Co., Ltd.
Juristic-Person Director	Yueshan Investment Co., Ltd.	Director of NICE Enterprise Co., Ltd. Director of NICE Marco Polo Management Consultation Co., Ltd.
Juristic-Person Director	NICE Enterprise Co., Ltd.	Director of Nice Plaza Co., Ltd. Director of Goldbank Investment Development Corp. Director of Heding International Development Co., Ltd. Director of Qixing Resort Co., Ltd. Director of Eastern Taiwan Cultural & Creative Co., Ltd. Director of TAIWAN FOOD INDUSTRY CO., LTD. Director of Taiwan NJC Corporation Director of Liantong Developments, Co., Ltd. Director of Taiwan First Biotechnology Corp. Director of HOPEMAN DISTRIBUTION CO., LTD. Director of Janfusun Fancyworld Corp. Director of SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. Director of MIRAGE ENTERTAINMENT INC. Director of Nice Biotech Director of ALL PASS BIO-TEC CO., LTD. Director of Baige Biotechnology Corp.
Juristic-Person Director	Yin-Ji-Li International Consulting Corp.	Director of NICE Enterprise Co., Ltd. Director of Ho Yuan Investment Co., Ltd. Director of Taiwan First Biotechnology Corp. Director of Taiwan Sanyejia Co., Ltd. Director of NICE Marco Polo Management Consultation Co., Ltd.
Juristic-Person Director	Cunyuan Heye Co., Ltd.	Director of NICE Enterprise Co., Ltd. Director of FOODAHOLIC CO., LTD. Director of NICE Marco Polo Management Consultation Co., Ltd. Director of Jing Guo Co., Ltd. Director of Zhan Li Investment Co., Ltd. Director of Ho Yuan Investment Co., Ltd.
Representative of Juristic-Person Director	Kuan-Han Chen	Director of Taiwan NJC Corporation Chairman of Taiwan First Biotechnology Corp. Director of Hope Choice Distribution Corp. Director of Nice Investment Development Ltd. Director of NICE Enterprise Co., Ltd. Director of Koya Biotech Corp.

Title	Name	Concurrent positions in other companies
		Director of Aiken Biotechnology International Co., Ltd. Chairman of Aique International Co., Ltd. Director of Defender Private Security Inc. Chairman of Han Tien Enterprise Co., Ltd.
Representative of Juristic-Person Director	Ching-Jen Chen	Director of SEVEN STARS TECHNOLOGY INDUSTRIAL CO., LTD. Director of Qixing Resort Co., Ltd. Director of TAIWAN FOOD INDUSTRY CO., LTD. Director of FORMOSA COSMETICS CORPORATION Director of Eastern Formosa Resource Development Corporation Director of Eastern Taiwan Cultural & Creative Co., Ltd. Director of Sontenkan Resort Development Co., Ltd. Director of Songshan Village Co., Ltd. Chairman of NICE Marco Polo Management Consultation Co., Ltd. Director of Koya Biotech Corp. Director of Yunlin Dairy Technology Corp. Chairman of Defender Private Security Inc. Vice Chairman of Janfusun Fancyworld Corp. Director of AGV Products Corporation Director of Rosahill Leisure Industry Co., Ltd. Director of Dechuan Tea Garden Co., Ltd. Director of Da Tian Gang Leisure and Entertainment Co., Ltd. Director of Ho Yuan Investment Co., Ltd.
Representative of Juristic-Person Director	Michael Chen	Director of IBF Financial Holdings Co., Ltd. Director of IBF Financial Holdings Co., Ltd. Director of SEVEN STARS TECHNOLOGY INDUSTRIAL CO., LTD. Director of Qixing Resort Co., Ltd. Director of Datian International Developments Limited Director of TAIWAN FOOD INDUSTRY CO., LTD. Director of Taiwan Mineral Water Corp. Director of Shiejie Financing Co., Ltd. Director of East Coast Leisure Development Corporation Chairman of Eastern Formosa Resource Development Corporation Director of Eastern Taiwan Cultural & Creative Co., Ltd. Director of Sontenkan Resort Development Co., Ltd. Director of Songshan Village Co., Ltd. Vice Chairman of NICE Enterprise Co., Ltd. Director of NICE Marco Polo Management Consultation Co., Ltd. Vice Chairman of Nice Plaza Co., Ltd. Director of Koya Biotech Corp. Director of Yunlin Dairy Technology Corp. Director of New Takayama Leisure and Entertainment Co., Ltd. Director of Rosahill Leisure Industry Co., Ltd. Director of Thunder Tiger Corporation Chairman of Da Tian Gang Leisure and Entertainment Co., Ltd.

Title	Name	Concurrent positions in other companies
		Director of Ho Yuan Investment Co., Ltd. Director of He Ai Management Consultation Service Co., Ltd.
Representative of Juristic-Person Director	Hsien-Chueh Hsieh	Director of Qixing Resort Co., Ltd. Director of TAIWAN FOOD INDUSTRY CO., LTD. Director of Zhengda Fenghuang Shanzhuang Co., Ltd. Director of Koya Biotech Corp. Director of Sasaya Vitagreen Co., Ltd. Director of Aco Distribution Corp. Chairman of Yunlin Dairy Technology Corp. Director of Defender Private Security Inc. Director of New Takayama Leisure and Entertainment Co., Ltd Director of Liantong Developments, Co., Ltd. Director of Rosahill Leisure Industry Co., Ltd. President of Janfusun Fancyworld Corp.
Representative of Juristic-Person Director	Chih-Chan Chen	Director of SEVEN STARS TECHNOLOGY INDUSTRIAL CO., LTD. Director of Taiwan First Biotechnology Corp. Director of TAIWAN FOOD INDUSTRY CO., LTD. Chairman of Zhengda Fenghuang Shanzhuang Co., Ltd. Director of Andekang International Co., Ltd. Director of HOPEMAN DISTRIBUTION CO., LTD. Director of Helian Tongshang Co., Ltd. Director of Hope Choice Distribution Corp. Director of Eastern Formosa Resource Development Corporation Director of Sontenkan Resort Development Co., Ltd. Director of Songshan Village Co., Ltd. Director of Nice Media Technology Director of NICE Enterprise Co., Ltd. Director of Koya Biotech Corp. Director of Sasaya Vitagreen Co., Ltd. Director of Aco Distribution Corp. Director of Aiken Biotechnology International Co., Ltd. Director of Aique International Co., Ltd. Director of Dechuan Tea Garden Co., Ltd. Director of Da Tian Gang Leisure and Entertainment Co., Ltd. Director of Cunyuan Heye Co., Ltd. Chairman of Ho Yuan Investment Co., Ltd. Chairman of Zhan Li Investment Co., Ltd. Director of FOODAHOLIC CO., LTD. Chairman of Jinzhou Development Co., Ltd.
Independent Director	Yung-Fu Tseng	Independent Director of Chun Yuan Steel Industry Co., Ltd
Independent Director	Yung-Chien Wu	Director of Eastern Broadcasting Co., Ltd. (EBC)
Independent Director	Wei-Lung Chen	Independent Director of Ocean Plastics Co., Ltd. Independent Director of Janfusun Fancyworld Corp. Independent Director of IBF Financial Holdings Co., Ltd.

Rules Governing the Election of Directors of AGV Products Corporation

Article 1: Unless otherwise specified by law or Articles of Incorporation, the election of the Company's directors shall proceed according to the regulations of the Rules.

Article 2: The Company's director election shall be handled at the shareholders' meeting.

Article 3: A competent individual who has reached the age of maturity can be elected as directors of the Company in accordance with the "Rules Governing the Election of Directors."

The Company's independent directors are subject to the eligibility criteria specified in Article 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The Company's independent directors are subject to the election criteria specified in Article 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and shall be conducted based on Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 4: The election of the Company's independent directors shall be conducted based on the procedure of candidate nomination system specified in Article 192-1 of the Company Act.

Article 5: Unless otherwise specified in the laws, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for the election of two or more candidates.

For the election of the Company's directors, a shareholder may choose to exercise their voting rights by electronic means or by on-site voting.

The shareholders shall exercise their above-mentioned voting rights by electronic means on the electronic voting platform specified by the Company.

Article 6: A candidate to whom the ballots cast represent a prevailing

number of votes shall be deemed a director elect, until the number of director and supervisor seats mentioned in the Articles of Incorporation are fully filled. If two or more candidates receive the same number of votes, they shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.

Article 7: The number of ballots prepared by the board of directors shall be the same as the number of the directors to be elected. Besides the company seal stamped on the ballots, the candidate's attendance card number and number of votes shall be detailed on the ballots to distribute to the shareholders attending the shareholders' meeting. The attendance card number on the ballot is used as the identifier for registered votes.

Article 8: Before the election, the chairperson shall appoint several vote monitoring and counting personnel to carry out various duties. However, monitoring personnel shall be appointed only from among shareholders.

Article 9: The ballot box shall be prepared by the board of directors and be openly inspected by the monitoring personnel before the voting.

Article 10: The elector shall state the candidate name or account name in the candidate column of the ballot. However, if the candidate is the government or an institutional shareholder, the name of government agency or institutional shareholder shall be stated in the candidate name column of the ballot and the representative name of the government agency or institutional shareholder shall also be specified. In case there is a plural number of such authorized representatives, their names shall be specified respectively.

Article 11: Ballots that are found with any of the following are invalid:

I. Ballots prepared by the authorized convener are not used.

II. Blank ballots without any handwriting cast in a ballot box.

III. Ballots with illegible writing or are altered.

IV. The written candidate is inconsistent with the list of nominated director candidates.

V. Ballots that contain writings other than the candidate's name

or account name.

VI. Where the names of two or more candidates are written on the same ballot.

Article 12: Ballots are to be counted openly and immediately after voting. The chairperson shall announce the outcome of the vote on the site, including the names of elected directors with the number of election powers so won by them.

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

Article 13: Any matters not specified in the Rules shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 14: The Rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meetings.

Article 15: Establishment and amendment

Establishment date: May 27, 1989.

The 1st amendment date: May 31, 2000.

The 2nd amendment date: May 30, 2002.

The 3rd amendment date: June 17, 2010.

The 4th amendment date: June 27, 2012.

The 5th amendment date: June 28, 2016.

The 6th amendment date: June 27, 2019.

The 7th amendment date: August 26, 2021.

Rules of Procedure for Shareholders' Meeting of AGV Products Corporation

August 26, 2021

Amendment approved at general shareholders' meeting

Article 1: The Company's shareholders' meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.

Article 2: The shareholder (or the proxy) present shall hand in an attendance card in lieu of signing on the attendance book. The quantity of shares represented by the shareholders attending the meeting shall be based on the sign-in cards handed in plus the votes representing the shares cast by written or electronic means.

Article 3: The presence and voting in a shareholders' meeting shall be duly calculated based on the number of shares so represented.

Article 3-1: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The opinion of the independent director shall be fully considered for the meeting location and time.

Article 4: Unless otherwise specified in the Company Act, the Chairman shall chair shareholders' meetings. In case the Chairman is on leave or cannot exercise his or her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.

Article 5: The Company may appoint retained attorney(s), certified public accountant(s) or relevant personnel to participate in a shareholders' meeting.

The personnel administering the shareholders' meeting shall wear ID badges or badges.

Article 6: The Company shall make visual and audio recordings throughout the entire process of the shareholders' meeting, as well as the voting and vote counting processes.

Said video or audio data shall be kept for at least one year. If an action is filed by shareholders pursuant to Article 189 of the Company Act, the records shall be retained until the conclusion of the action.

Article 7: The chairperson shall call the meeting to order and disclose information related to the number of shares without voting

rights and number of shares held by present shareholders when shareholders (or proxies) present at the meeting constitute a majority of the aggregate number of issued shares. The chairperson may announce a postponement of the meeting if the shareholders present at the meeting do not constitute a quorum when behind schedule, provided that no more than two such postponements occur, and for a combined total of no more than 1 hour. If attending shareholders represent more than one-third but less than half of outstanding shares after two postponements, the chairperson shall call off the meeting.

Where the shareholders (or proxies) present at the meeting do not constitute a quorum after two postponements in the preceding paragraph but represent one third or more of the aggregate number of issued shares, the shareholders may reach a tentative resolution with the votes constituting a majority of the total votes of the shareholders present at the meeting. A notice of such tentative resolution shall be given to each of the shareholders, and the Shareholders' meeting will be reconvened within one month.

When, after a tentative resolution has been made according to the aforesaid procedure, the attending shareholders (or proxies) constitute a quorum prior to conclusion of the meeting, the chairperson may resubmit the tentative resolution to the shareholders' meeting for adoption pursuant to Article 174 of the Company Act.

Article 8: The agenda of the shareholders' meeting shall be set by the Board of Directors, and relevant motions (including impromptu motions and amendments to original motions) shall be voted on a case-by-case basis. The meeting shall proceed in the order set in 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 chairperson may not announce the adjournment without the resolution of the board of directors until a resolution is reached with regard to the agenda (including impromptu motions) arranged in accordance with the preceding two paragraphs.

If the chairperson declares the adjournment of the meeting in violation of the Rules of Procedure, other members of the board of directors shall immediately assist the present shareholders at the meeting representing a majority of the voting rights to elect a chairperson to continue the meeting based on statutory procedure.

After the meeting is resolved to be adjourned, shareholders cannot elect another chairperson or seek another venue for continuation of the meeting.

Article 9: When the shareholder's meeting is in session, the Company may adopt electronic or written means for voting; in so doing, the Company shall specify the details of voting by written or electronic means in the notice of the shareholders' meeting. Shareholders casting their votes in written or electronic means shall be deemed to be attending the meeting in person. But votes on impromptu motions or amendments to original motions shall be deemed as their abstention from voting on these motions. Therefore, the Company shall avoid proposing impromptu motions or amendments to original motions.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. In case of repeated expressions of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made.

Shareholders who wish to attend the shareholders' meeting in person after exercising their voting rights in writing or using electronic means are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than 2 days before the day of the shareholders' meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If an expression of intent to vote in written or electronic means has been made and at the same time, a proxy has been appointed to attend the meeting, the votes cast by the proxy in the meeting shall prevail.

Article 10: Before making a speech, the attending shareholders (or proxies) must fill out and submit a speech memo stating the purpose of the speech, the shareholder account number (or attendance card number) and the account name for the chairperson to determine the order of speakers.

The attending shareholders (or proxies) who have submitted a speech memo but do not speak shall be deemed to have not spoken. In case the contents of the speech delivered are irrelevant to the contents in the speech memo, the confirmed contents shall prevail.

When a shareholder has the floor, all other shareholders shall not interfere unless at the consent of the chairperson or the shareholder who holds the floor. Any unrestrained action shall be discouraged by the chairperson.

Article 11: Except where approved by the chairperson, a shareholder or proxy 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 chairperson may terminate the speech.

Article 12: Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. Where an institutional shareholder may be appointed as a proxy to attend the shareholders' meeting, such institutional shareholders may appoint only one representative to the meeting.

When an institutional 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 13: After a present shareholder completes speech, the chairperson may respond either in person or through a relevant designated person.

Article 14: The chairperson may announce to discontinue further discussions and arrange sufficient voting time if the motion and amendment or impromptu motion proposed by the shareholder is considered to have been sufficiently described and discussed to proceed with the vote.

Article 15: The ballot monitoring and counting staff for a voting or election process shall be appointed by the Chairman. A monitoring personnel shall be appointed only from among shareholders.

The ballots for the voting or election process of the shareholders' meeting in a shareholders' meeting shall be counted in an open manner inside the venue, and the outcome shall be announced on-the-spot after the counting process is completed, including the statistics for the voting rights which shall be covered into the written records.

Where directors and supervisors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with the Rules Governing the Election of Directors defined by the Company. The outcome of the election shall be announced on-the-spot, including the names of elected directors with the number of election powers so won by them and the names of directors not elected and number of votes they received.

Article 16: Except as otherwise specified in the Company Act and the Company's Articles of Incorporation, the decision of an issue shall be resolved by a majority vote in the meeting that is attended by shareholders who represent a majority of the total issued shares. At the time of a vote, for each proposal, the chairperson or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

A shareholder shall be entitled to one vote for each share held,

except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as a proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 17: When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 18: When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including impromptu motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. The resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: The chairperson may direct proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

Article 20: The matters that are not specified in the Rules shall be subject to the Company Act, the Articles of Incorporation of the Company.

Article 21: The Rules shall come into enforcement being duly resolved in the shareholders' meeting. This same is applicable to amendments of the Rules.

Shareholding Information of Directors

(I) The minimum shareholding required from all directors and statement of director shareholdings under the shareholders register:

Title	Minimum shareholding	Shareholdings under the shareholders register
Director	16,000,000 shares	39,380,769 shares

(II) Statement of director shareholdings:

Title	Name	Shareholders register Shares registered	Remarks
Chairman	Taiwan First Biotechnology Corp.	3,075,450	Representative: Kuan-Han Chen
Vice Chairman	NICE Enterprise Co., Ltd.	20,780,494	Representative: Ching-jen Chen
Director	Tien-tao Chen Cultural & Educational Foundation	2,209,987	Representative: Michael Chen
Director	Yingjili International Consultant Co., Ltd.	8,210,007	Representative: Hsien-Chueh Hsieh
Director	Cunyuan Heye Co., Ltd.	2,982,196	Representative: Chih-Chan Chen
Director	Guozheng Investment Co., Ltd.	2,122,635	Representative: Huai-Hsin Liang
Independent Director	Yung-Chien Wu	0	None
Independent Director	Wei-Lung Chen	0	None
Independent Director	Yung-Fu Tseng	0	None

Note: The period of transfer suspension was April 26 to June 24, 2022.