



YUNG ZIP CHEMICAL IND. CO., LTD.

2021 Agenda of Annual Meeting of Shareholders

Time: 2021 May 28th (Friday) 9:00am.

Place: No.315 ChengKung Rd., Tachia Dist., Taichung 43744, Taiwan (R.O.C).

1 、 Call the meeting to order

2 、 Chairman's Address

3 、 Report Items

- (1) 2020 Business Report.
- (2) Supervisors' Review Report on 2020 Financial Statements.
- (3) 2020 Report on the distribution of remuneration for employees, directors and supervisors.

4 、 Ratification Items

- (1) Ratification of 2020 Business Report, Individual Financial Report and Consolidated Financial Report.
- (2) Ratification of 2020 Disposition of net profit.

5 、 Discussion Items

- (1) Amendment to the "Procedures for the Acquisition or Disposal of Assets".
- (2) Proposal to release directors from non-competition restrictions.

6 、 Questions and Motions

7 、 Adjournment

Very sincerely yours,

Chi Li Lee
Chairman



Stock Code: : 4102

YUNG ZIP CHEMICAL IND. CO., LTD.

Handbook for the 2021 Annual Meeting of Shareholders

Time:2021 May 28th (Friday)9:00am.

Place:No. 315 Cheng Kung Road, Tachia, Taichung 43744, Taiwan (R.O.C)

Table of Contents

1	Meeting Agenda	P.1
2	Report Items	P.2
	(1) 2020 Business Report.	P.2
	(2) Supervisors' Review Report on 2020 Financial Statements.	P.2
	(3) 2020 Report on the distribution of remuneration for employees, directors and supervisors.	P.2
3	Ratification Items	P.6
	(1) Ratification of 2020 Business Report, Individual Financial Report and Consolidated Financial Report.	P.6
	(2) Ratification of 2020 Disposition of net profit.	P.6
4	Discussion Items	P.26
	(1) Amendment to the "Procedures for the Acquisition or Disposal of Assets".	P.26
	(2) Proposal to release directors from non-competition restrictions.	P.26
5	Questions and Motions	P.27
6	Adjournment	P.27
7	Appendices	P.30
	(1)2021 Annual Meeting of Shareholders – Status of Shareholder Proposals	P.30
	(2)Shareholding of Directors and Supervisors Shareholding Figures and Minimum Shareholding Requirements	P.30
	(3)Company Charter	P.31
	(4)Rules of Procedures for Shareholder Meetings	P.36

1 、 Meeting Agenda

YUNG ZIP CHEMICAL IND. CO., LTD. 2021 Agenda of Annual Meeting of Shareholders

Time: 2021 May 28th (Friday) 9:00am.

Place: No.315 ChengKung Rd., Tachia Dist., Taichung 43744, Taiwan (R.O.C).

1 、 Call the meeting to order

2 、 Chairman's Address

3 、 Report Items

(1) 2020 Business Report.

(2) Supervisors' Review Report on 2020 Financial Statements.

(3) 2020 Report on the distribution of remuneration for employees, directors and supervisors.

4 、 Ratification Items

(1) Ratification of 2020 Business Report, Individual Financial Report and Consolidated Financial Report.

(2) Ratification of 2020 Disposition of net profit.

5 、 Discussion Items

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

(2) Proposal to release directors from non-competition restrictions.

6 、 Questions and Motions

7 、 Adjournment

2 、 Report Items

1.2020 Business Report.

(Please refer to page 3~4)

2.Supervisors' Review Report on 2020 Financial Statements.

(Please refer to page 5)

3.2020 Report on the distribution of remuneration for employees, directors and supervisors.

- (1) According to Article 25 of the company's articles of association, if the company makes a profit during the year, 1% to 10% should be allocated as remuneration of employee. The remuneration of directors and supervisors is not more than 3%. However, when the company still has accumulated losses, the compensation amount should be reserved in advance.
- (2) The company turned losses into profits after making up for losses in 2020. Provision of NT\$1,013,792 for remuneration of employee and NT\$ 405,517 for remuneration of directors and supervisors, all in cash distribution.
- (3) The estimated provision of NT\$1,046,607 for remuneration of employees in 2020, the amount of distribution is reduced NT\$32,815. The estimated provision of NT\$418,643 for remuneration of directors and supervisors in 2020, the amount of distribution is reduced NT\$13,126. The difference between the remuneration of employees, directors and supervisors estimated in 2020 will be included in 2021 profit and loss adjustment.

YUNG ZIP CHEMICAL IND. CO., LTD.

2020 Business Report

1. Business Strategy

Yung Zip has always upheld the business philosophy of "innovation, service, effectiveness," and abided by integrity, reliability and strict business ethics, continuing to strengthen its roots in the API industry. Meanwhile, expanding the market into specialty chemicals and food. The quality of the products produced by us is strictly controlled under the high PIC/S GMP requirements from the raw materials entering the factory to the finished products leaving the factory, so as to provide the best quality products to customers.

2. Overview and Achievements of Business Implementation

The world was affected by COVID-19 in 2020, and the uncertainty of the market increased. However, Yung Zip responded early to ensure the company's stable source of raw materials and actively contacted airline and shipping companies, so that the products could be exported to customers smoothly. In order to expand the scope of business and diversify risks, Yung Zip invested in Taiwan Way Chein Industrial Co., Ltd. which has become a subsidiary of Yung Zip in 2020. Manage the food foundry industry with a rigorous attitude in the pharmaceutical industry. Consolidated revenue in 2020 was increased by 11% compared with it in 2019.

3. Analysis of Business Income & Expenditure and Profitability

Consolidated operating income of NT\$463,212 thousand in 2020 increased by 11% compared with NT\$416,837 thousand in 2019. Operating profit of NT\$29,407 thousand increased by 34% compared with NT\$21,925 thousand in 2019. Net profit after tax in 2020 was 29,912 thousand, which was slightly lower than that in 2019 due to the impact of exchange rate appreciation.

Profitability Analysis:

Items		Year 2020	Year 2019
Return on Assets Ratio		3.84	4.93
Return On Equity (ROE)		5.58	6.62
Paid in Capital Ratio	Operation Profit	6.94	-5.15
	Pre-Tax Income	6.69	-3.98
Net Profit Margin		6.46	7.51
Earnings Per Share (EPS)		0.73	0.74

4. Research and Development Status

In 2020, the company invested more research and development funds on product development and quality improvement.

In addition to completing the development of raw materials such as Nusinersen orphan drugs and local anesthetics and research on waste reduction as planned, the company also accepts customers' entrusted co-production of raw materials and specialty chemicals required for their new drugs to increase the company's future development possibility.

5. Business Prospects in 2021

Yung Zip will continue to improve the management of PIC/S GMP, , seek opportunities for cooperation and expansion of strategic alliances in the same industry, strengthen the control of cost and expense, develop high-priced products with few competitors, strengthen the management efficiency of subsidiaries, in order to create better performance and pay back to the support from shareholders.

Chairman: Chi Li Lee

President: Ching Huang Lin

Accounting Supervisor: Yu Fang Wang

YUNG ZIP CHEMICAL IND. CO., LTD.

Supervisors' Review Report

The Board of Directors will prepare and submit this company's 2020 financial statements (including Individual Financial Statements and Consolidated Financial Statements) along with the business report and disposition of net profit proposal. PricewaterhouseCoopers Taiwan (PwC Taiwan) Xu Jianye and Wang Yujuan Accountants have reviewed these statements and found no inconsistencies, the reports above are provided. The above-mentioned report is deemed to be true after reviewed by the supervisor. In accordance with Article 219 of the Company Act, the report is prepared for your review.

To
Yung Zip 2021 Annual Meeting of Shareholders

YUNG ZIP CHEMICAL IND. CO., LTD.

Supervisor: Chao Lung Hu

Supervisor: Pei Chun Chen

Supervisor: Teh Ming Leu

2021

March

10th

3 、 Ratification Items

Proposal 1:(Proposed by the Board of Directors)

Brief: Ratification of 2020 Business Report, Individual Financial Statements and Consolidated Financial Statements

Explanation:

1. The 2020 Business Report (please refer to pages 3~4).
2. The Individual Financial Statements and Consolidated Financial Statements has been audited by Certified Xu Jianye and Wang Yujuan Accountants of PwC Taiwan with unqualified audit report, please refer to pages 7~24. After being reviewed by the supervisor, it is reported to the shareholders' meeting for ratification.

Resolution:

Proposal 2:(Proposed by the Board of Directors)

Brief: Ratification of 2020 Disposition of net profit.

Explanation:

- 1、 The 2020 Disposition of net profit. (please refer to pages 25)
- 2、 Accumulated loss at beginning of year was NT\$10,376,292, in addition to 2020 net profit after taxes of NT\$30,742,378 and other comprehensive losses was NT\$4,268,759. It is proposed to set aside a legal surplus reserve of NT\$1,609,733, and the accumulated surplus at the end of the period was NT\$ 14,487,594.
- 3、 The proposed cash dividend is NT\$0.1 per share, total NT\$4,237,344. Allocating to Taiwan dollar (rounded up below Taiwan dollar). The number of odd shares allocated for less than NT\$1 will be adjusted in order according to the size of the shareholders' odd shares to meet the total cash distribution. After the general meeting of shareholders is passed, the chairman is authorized to separately set the ex-dividend base date, the cash dividend payment date, and adjust the shareholder dividend rate distribution based on the actual number of outstanding shares of the company.

Resolution:

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of YUNG ZIP CHEMICAL IND. CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of YUNG ZIP CHEMICAL IND. CO., LTD. and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission .

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Revenue Recognition

Description

Refer to Note 4(22) for accounting policy on revenue recognition, and explanation of operating revenue is provided in Note 6(14).

The Group is engaged in the sales of active pharmaceutical ingredients, specialty chemicals and other related products, primarily focused on export markets. Revenue for export sales are recognised when the control of goods are transferred upon loading on board for shipping in accordance with contract terms. In practice, the timing of revenue recognition is affected by customs clearance procedure and the operations of the cargo company. Considering that the revenue might not be recognised in the proper period as the timing of recognition involves many manual controls, we identified the cut-off of revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

Our corresponding audit procedures for specific aspects described in the key audit matters of the preceding paragraph are summarized as follows:

1. Understand and evaluate the sales transaction procedures and internal controls to evaluate

- management's control over the recognition of sales revenue.
2. Verify that revenue transactions in a certain period before and after the balance sheet date are recognized in the proper period, and that the changes in inventory quantity and costing of goods sold have been recorded in the appropriate period to evaluate the reasonableness of the timing of revenue recognition.

Business combination - acquisition of Taiwan WayChein Industrial Co., Ltd.

Description

In May 18, 2020, the Company acquired 70% of ordinary shares of Taiwan WayChein Industrial Co., Ltd. with cash amounting to NT\$139,650 thousand and obtained control. The Company applied the acquisition method as accounting treatment for the business combination, refer to Note 4(23) for detail. Appraisal of the fair value of property, plant and equipment prepared by the external appraiser appointed by management was used to measure and allocate the purchase price to identifiable assets and assumed liabilities which arose from the combination (refer to Note 6(23) in the consolidated financial statements for details).

As the purchase price allocation involved management's estimation and the business combination was

significant to the financial statements, we consider the business combination a key audit matter.

How our audit addressed the matter

Our corresponding audit procedures for specific aspects described in the key audit matters of the preceding paragraph are summarized as follows:

1. Inquired with management the details of the business combination, including acquisition motive, purchase price and valuation basis for fair values of assets acquired and liabilities assumed, accounting policies applied and the related internal control process, and reviewed the minutes of Board of Directors' meeting and related contracts.
2. Reviewed the assessment on the reasonableness of price provided by the independent expert and the agreements of share transfer, and checked the voucher for payment consideration to verify the purchase price.
3. Obtained an understanding of the basis and procedure of purchase price allocation which was estimated by management and reviewed the original data and the reasonableness of major assumptions and fair value as indicated in the purchase price allocation reports prepared by YUNG ZIP CHEMICAL IND. CO., LTD.
4. Obtained accounting entries of the price allocation result based on the price allocation report and ensured accuracy of recorded amount.

Other matter –Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$272,749 thousand, constituting 28.60% of the consolidated total assets as at December 31, 2020, and the operating revenue amounted to NT\$24,280 thousand, constituting 5.24% of the consolidated total operating revenue for May 18, 2020 (the acquisition date) to December 31, 2020.

Other matter - parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Yung Zip Chemical Ind. Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the

preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements..

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Hsu, Chien-Yeh

Wang, Yu-Chuan

For and on behalf of
PricewaterhouseCoopers, Taiwan
March 10, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

YUNG ZIP CHEMICAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 53,406	6	\$ 53,133	8
1150	Notes receivable, net	6(3)	4,131	-	1,984	-
1170	Accounts receivable, net	6(3)	85,701	9	59,851	9
1180	Accounts receivable - related parties, net	7	19,522	2	30,495	4
130X	Inventory	6(4)	184,996	19	164,003	24
1470	Other current assets		14,704	2	14,227	2
11XX	Current Assets		<u>362,460</u>	<u>38</u>	<u>323,693</u>	<u>47</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	128,330	13	145,445	21
1600	Property, plant and equipment	6(5) and 8	425,016	45	181,819	27
1755	Right-of-use assets	6(6)	355	-	1,680	-
1840	Deferred income tax assets	6(19)	25,157	3	22,569	3
1900	Other non-current assets		12,243	1	9,997	2
15XX	Non-current assets		<u>591,101</u>	<u>62</u>	<u>361,510</u>	<u>53</u>
1XXX	Total assets		<u>\$ 953,561</u>	<u>100</u>	<u>\$ 685,203</u>	<u>100</u>

(Continued)

YUNG ZIP CHEMICAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(7)	\$ 62,000	7	\$ -	-
2130	Current contract liabilities	6(14)	4,688	-	4,364	1
2170	Accounts payable	7	26,252	3	28,151	4
2200	Other payables	6(8)	51,977	5	38,142	5
2280	Current lease liabilities		360	-	1,330	-
2300	Other current liabilities	6(9)	19,956	2	19,611	3
21XX	Current Liabilities		<u>165,233</u>	<u>17</u>	<u>91,598</u>	<u>13</u>
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(9)	177,500	19	56,250	8
2570	Deferred income tax liabilities	6(19)	17,974	2	16,626	3
2580	Non-current lease liabilities		-	-	359	-
2600	Other non-current liabilities	6(10)	20,613	2	20,004	3
25XX	Non-current liabilities		<u>216,087</u>	<u>23</u>	<u>93,239</u>	<u>14</u>
2XXX	Total Liabilities		<u>381,320</u>	<u>40</u>	<u>184,837</u>	<u>27</u>
Equity attributable to owners of parent						
3110	Share capital - common stock	6(11)	423,735	45	423,735	62
3200	Capital surplus	6(12)	29,919	3	29,919	4
3350	Total unappropriated retained earnings (accumulated deficit)	6(13)	16,098	2	(10,375)	(1)
3400	Other equity interest	6(2)	42,272	4	57,087	8
31XX	Equity attributable to owners of parent		<u>512,024</u>	<u>54</u>	<u>500,366</u>	<u>73</u>
36XX	Non-controlling interests		60,217	6	-	-
3XXX	Total equity		<u>572,241</u>	<u>60</u>	<u>500,366</u>	<u>73</u>
3X2X	Total liabilities and equity		<u>\$ 953,561</u>	<u>100</u>	<u>\$ 685,203</u>	<u>100</u>

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

YUNG ZIP CHEMICAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Year ended December 31			
				2020		2019	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(14) and 7	\$ 463,212	100	\$ 416,837	100	
5000	Operating costs	6(4)(18) and 7	(328,299)	(71)	(300,107)	(72)	
5900	Net operating margin		<u>134,913</u>	<u>29</u>	<u>116,730</u>	<u>28</u>	
	Operating expenses	6(18)					
6100	Selling expenses		(19,437)	(4)	(19,285)	(5)	
6200	General & administrative		(53,102)	(12)	(44,414)	(11)	
6300	Research and development		(32,967)	(7)	(31,106)	(7)	
6000	Total operating expenses		<u>(105,506)</u>	<u>(23)</u>	<u>(94,805)</u>	<u>(23)</u>	
6900	Operating profit		<u>29,407</u>	<u>6</u>	<u>21,925</u>	<u>5</u>	
	Non-operating income and						
7100	Interest income	6(15)	52	-	110	-	
7010	Other income	6(16)	6,277	1	11,946	3	
7020	Other gains and losses	6(17)	(5,482)	(1)	(1,770)	(1)	
7050	Finance costs		(1,897)	-	(892)	-	
7000	Total non-operating revenue		<u>(1,050)</u>	<u>-</u>	<u>9,394</u>	<u>2</u>	
7900	Profit before income tax		<u>28,357</u>	<u>6</u>	<u>31,319</u>	<u>7</u>	
7950	Income tax benefit	6(19)	1,555	-	-	-	
8200	Profit for the year		<u>\$ 29,912</u>	<u>6</u>	<u>\$ 31,319</u>	<u>7</u>	
	Components of other						
8311	Losses on remeasurements of	6(10)	(\$ 5,154)	(1)	(\$ 2,815)	-	
8316	Unrealised gains (losses) from	6(2)	(17,115)	(4)	29,612	7	
8349	Income tax related to components	6(19)	3,185	1	(3,797)	(1)	
8300	Total other comprehensive (loss)		<u>(\$ 19,084)</u>	<u>(4)</u>	<u>\$ 23,000</u>	<u>6</u>	
8500	Total comprehensive income for		<u>\$ 10,828</u>	<u>2</u>	<u>\$ 54,319</u>	<u>13</u>	
	Profit (loss), attributable to:						
8610	Owners of parent		\$ 30,742	6	\$ 31,319	7	
8620	Non-controlling interest		(830)	-	-	-	
	Total Net Income		<u>\$ 29,912</u>	<u>6</u>	<u>\$ 31,319</u>	<u>7</u>	
	Comprehensive income attributable						
8710	Owners of the parent		\$ 11,658	2	\$ 54,319	13	
8720	Non-controlling interest		(830)	-	-	-	
	Total Comprehensive Income		<u>\$ 10,828</u>	<u>2</u>	<u>\$ 54,319</u>	<u>13</u>	
9750	Basic earnings per share (in	6(20)	<u>\$ 0.73</u>		<u>\$ 0.74</u>		
9850	Diluted earnings per share (in	6(20)	<u>\$ 0.72</u>		<u>\$ 0.74</u>		

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

YUNG ZIP CHEMICAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								
	Notes	Share capital - common stock	Share premium	Others	Total unappropriated retained earnings (accumulated deficit)	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensiv e income	Total	Non-controlling interests	Total equity
<u>Year 2019</u>									
Balance at January 1, 2019		\$ 423,735	\$ 29,841	\$ 78	(\$ 39,442)	\$ 31,835	\$ 446,047	\$ -	\$ 446,047
Profit for the year		-	-	-	31,319	-	31,319	-	31,319
Other comprehensive income (loss)		-	-	-	(2,252)	25,252	23,000	-	23,000
Total comprehensive income		-	-	-	29,067	25,252	54,319	-	54,319
Balance at December 31, 2019		<u>\$ 423,735</u>	<u>\$ 29,841</u>	<u>\$ 78</u>	<u>(\$ 10,375)</u>	<u>\$ 57,087</u>	<u>\$ 500,366</u>	<u>\$ -</u>	<u>\$ 500,366</u>
<u>Year 2020</u>									
Balance at January 1, 2020		\$ 423,735	\$ 29,841	\$ 78	(\$ 10,375)	\$ 57,087	\$ 500,366	\$ -	\$ 500,366
Profit (Loss) for the year		-	-	-	30,742	-	30,742	(830)	29,912
Other comprehensive loss		-	-	-	(4,269)	(14,815)	(19,084)	-	(19,084)
Total comprehensive income		-	-	-	26,473	(14,815)	11,658	(830)	10,828
Acquisition of non-controlling interests in subsidiaries	6(23)	-	-	-	-	-	-	61,047	61,047
Balance at December 31, 2020		<u>\$ 423,735</u>	<u>\$ 29,841</u>	<u>\$ 78</u>	<u>\$ 16,098</u>	<u>\$ 42,272</u>	<u>\$ 512,024</u>	<u>\$ 60,217</u>	<u>\$ 572,241</u>

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

YUNG ZIP CHEMICAL IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 28,357	\$ 31,319
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	146	485
Depreciation	6(5)(6)(18)	37,301	39,416
Amortisation	6(18)	514	399
Finance costs		1,885	893
Interest expense-lease liability	6(6)	12	-
Loss on disposal of property, plant and equipment	6(17)	-	288
Interest income	6(15)	(52)	(110)
Bargain Purchase	6(16)(23)	(2,793)	-
Dividend income	6(16)	(383)	(317)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(334)	2,152
Accounts receivable		(16,993)	(10,256)
Accounts receivable-related parties		10,973	2,514
Inventories		(18,732)	(51,730)
Other current assets		296	10,503
Changes in operating liabilities			
Notes payable		(397)	(1,300)
Accounts payable		(6,623)	301
Other payables		10,139	4,810
Other current liabilities		(794)	2,749
Other non-current liabilities		(4,993)	(925)
Cash inflow generated from operations		37,529	31,191
Interest received		52	110
Dividend income		383	317
Interest paid		(1,897)	(862)
Net cash flows from operating activities		36,067	30,756
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(21)	(38,725)	(14,670)
Increase in prepaid for equipments		(657)	-
Decrease in non-current assets		344	-
Decrease (increase) in guarantee deposits paid		1,181	(1,500)
Acquisition of investments accounted for using equity method	6(23)	(136,814)	-
Net cash flows used in investing activities		(174,671)	(16,170)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(22)	18,956	-
Repayment of principal portion of lease liabilities	6(6)(22)	(1,329)	(1,612)
Repayments of long-term borrowings	6(22)	(18,750)	-
Proceeds from long-term borrowings	6(22)	140,000	-
Net cash flows from (used in) financing activities		138,877	(1,612)
Net increase in cash and cash equivalents		273	12,974
Cash and cash equivalents at beginning of year	6(1)	53,133	40,159
Cash and cash equivalents at end of year	6(1)	\$ 53,406	\$ 53,133

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of YUNG ZIP CHEMICAL IND. CO., LTD.

Opinion

We have audited the accompanying balance sheets of YUNG ZIP CHEMICAL IND. CO., LTD. (the "Company") as at December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other auditors (please refer to Other Matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

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

Key audit matters

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

Key audit matters for the parent company only financial statements are stated as follows:

Revenue Recognition

Description

Refer to Note 4(22) for accounting policy on revenue recognition, and explanation of operating revenue is provided in Note 6(15).

The Company is engaged in the sales of active pharmaceutical ingredients, specialty chemicals and other related products, primarily focused on export markets. Revenue for export sales are recognised when the control of goods are transferred upon loading on board for shipping in accordance with contract terms. In practice, the timing of revenue recognition is affected by customs clearance procedure and the operations of the cargo company. Considering that the revenue might not be recognised in the proper period as the timing of recognition involves many manual controls, we identified the cut-off of revenue recognition as one of the key areas of focus for this year's audit.

How our audit addressed the matter

Our corresponding audit procedures for specific aspects described in the key audit matters of the preceding paragraph are summarized as follows:

3. Understand and evaluate the sales transaction procedures and internal controls to evaluate management's control over the recognition of sales revenue.
4. Verify that revenue transactions in a certain period before and after the balance sheet date are

recognized in the proper period, and that the changes in inventory quantity and costing of goods sold have been recorded in the appropriate period to evaluate the reasonableness of the timing of revenue recognition.

Investments accounted for using equity method - acquisition of Taiwan WayChein Industrial Co., Ltd.

Description

In May 18, 2020, the Company acquired 70% of ordinary shares of Taiwan WayChein Industrial Co., Ltd. with cash amounting to NT\$139,650 thousand and obtained control. The Company applied the acquisition method as accounting treatment for the business combination, refer to Note 4(23) for detail. Appraisal of the fair value of property, plant and equipment prepared by the external appraiser appointed by management was used to measure and allocate the purchase price to identifiable assets and assumed liabilities which arose from the combination (refer to Note 6(27) in the consolidated financial statements for details).

As the purchase price allocation involved management's estimation and the business combination was

significant to the financial statements, we consider the business combination a key audit matter.

How our audit addressed the matter

Our corresponding audit procedures for specific aspects described in the key audit matters of the preceding paragraph are summarized as follows:

5. Inquired with management the details of the business combination, including acquisition motive, purchase price and valuation basis for fair values of assets acquired and liabilities assumed, accounting policies applied and the related internal control process, and reviewed the minutes of Board of Directors' meeting and related contracts.
6. Reviewed the assessment on the reasonableness of price provided by the independent expert and the agreements of share transfer, and checked the voucher for payment consideration to verify the purchase price.
7. Obtained an understanding of the basis and procedure of purchase price allocation which was estimated by management and reviewed the original data and the reasonableness of major assumptions and fair value as indicated in the purchase price allocation reports prepared by the Company.
8. Obtained accounting entries (shown as 'Investments accounted for using equity method') of the price allocation result based on the price allocation report and ensured accuracy of recorded amount.

Other matter –Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$140,484 thousand, constituting 17.08% of the total assets as at December 31, 2020, and the comprehensive income recognized under the equity method amounted to NT\$1,959 thousand, constituting (16.08%) of the total comprehensive income for May 18, 2020 (the acquisition date) to December 31, 2020.

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

Management is responsible for the preparation and fair presentation of the parent company only financial

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

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

Those charged with governance, including independent directors and supervisors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain

professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with

relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Hsu, Chien-Yeh

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2021

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

YUNG ZIP CHEMICAL IND. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 51,806	6	\$ 53,133	8
1150	Notes receivable, net	6(3)	4,092	1	1,984	-
1170	Accounts receivable, net	6(3)	76,482	9	59,851	9
1180	Accounts receivable - related parties, net	7	19,337	2	30,495	4
130X	Inventory	6(4)	182,735	22	164,003	24
1470	Other current assets		13,423	2	14,227	2
11XX	Current Assets		<u>347,875</u>	<u>42</u>	<u>323,693</u>	<u>47</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2) and 12(3)	22,616	3	30,983	5
1550	Investments accounted for using equity method	6(5)	246,198	30	114,462	17
1600	Property, plant and equipment	6(6) and 8	170,046	21	181,819	27
1755	Right-of-use assets	6(7)	1,406	-	1,680	-
1840	Deferred income tax assets	6(20)	25,157	3	22,569	3
1900	Other non-current assets		9,071	1	9,997	1
15XX	Non-current assets		<u>474,494</u>	<u>58</u>	<u>361,510</u>	<u>53</u>
1XXX	Total assets		<u>\$ 822,369</u>	<u>100</u>	<u>\$ 685,203</u>	<u>100</u>

(Continued)

YUNG ZIP CHEMICAL IND. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 5,000	1	\$ -	-
2130	Current contract liabilities	6(15)	4,688	1	4,364	1
2170	Accounts payable	7	22,165	3	28,151	4
2200	Other payables	6(9) and 7	44,688	5	38,142	5
2280	Current lease liabilities		787	-	1,330	-
2300	Other current liabilities	6(10)	19,818	2	19,611	3
21XX	Current Liabilities		<u>97,146</u>	<u>12</u>	<u>91,598</u>	<u>13</u>
Non-current liabilities						
2540	Long-term borrowings	6(10)	177,500	22	56,250	8
2570	Deferred income tax liabilities	6(20)	14,474	2	16,626	3
2580	Non-current lease liabilities		612	-	359	-
2600	Other non-current liabilities	6(11)	20,613	2	20,004	3
25XX	Non-current liabilities		<u>213,199</u>	<u>26</u>	<u>93,239</u>	<u>14</u>
2XXX	Total Liabilities		<u>310,345</u>	<u>38</u>	<u>184,837</u>	<u>27</u>
Share capital 6(12)						
3110	Share capital - common stock		423,735	51	423,735	62
Capital surplus 6(13)						
3200	Capital surplus		29,919	4	29,919	4
Retained earnings 6(14)						
3350	Total unappropriated retained earnings (accumulated deficit)		16,098	2 (10,375) (1
Other equity interest 6(2)						
3400	Other equity interest		42,272	5	57,087	8
3XXX	Total equity		<u>512,024</u>	<u>62</u>	<u>500,366</u>	<u>73</u>
Significant contingent liabilities and 9 unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 822,369</u>	<u>100</u>	<u>\$ 685,203</u>	<u>100</u>

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

YUNG ZIP CHEMICAL IND. CO., LTD.
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(15) and 7	\$ 438,932	100	\$ 416,837	100
5000	Operating costs	6(4)(19) and 7	(305,032)	(70)	(300,107)	(72)
5900	Net operating margin		133,900	30	116,730	28
	Operating expenses	6(19)				
6100	Selling expenses		(19,437)	(4)	(19,285)	(5)
6200	General & administrative expenses		(49,351)	(11)	(44,414)	(11)
6300	Research and development expenses		(32,967)	(8)	(31,106)	(7)
6000	Total operating expenses		(101,755)	(23)	(94,805)	(23)
6900	Operating profit		32,145	7	21,925	5
	Non-operating income and expenses					
7100	Interest income	6(16)	49	-	110	-
7010	Other income	6(17)	6,030	1	11,946	3
7020	Other gains and losses	6(18)	(5,481)	(1)	(1,770)	(1)
7050	Finance costs		(1,597)	-	(892)	-
7070	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(1,959)	-	-	-
7000	Total non-operating revenue and expenses		(2,958)	-	9,394	2
7900	Profit before income tax		29,187	7	31,319	7
7950	Income tax benefit	6(20)	1,555	-	-	-
8200	Profit for the year		<u>\$ 30,742</u>	<u>7</u>	<u>\$ 31,319</u>	<u>7</u>
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(11)	(\$ 5,154)	(1)	(\$ 2,815)	(1)
8316	Unrealised (losses) gains from financial assets measured at fair value through other comprehensive income	6(2)	(8,367)	(2)	9,825	3
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(5)	(8,748)	(2)	19,787	5
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	3,185	1	(3,797)	(1)
8300	Total other comprehensive (loss) income		<u>(\$ 19,084)</u>	<u>(4)</u>	<u>\$ 23,000</u>	<u>6</u>
8500	Total comprehensive income for the year		<u>\$ 11,658</u>	<u>3</u>	<u>\$ 54,319</u>	<u>13</u>
9750	Basic earnings per share (in dollars)	6(21)	\$ 0.73		\$ 0.74	
9850	Diluted earnings per share (in dollars)	6(21)	\$ 0.72		\$ 0.74	

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

YUNG ZIP CHEMICAL IND. CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Share premium	Others	Capital Surplus	Total unappropriated retained earnings (accumulated deficit)	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensiv e income	Total equity
<u>Year 2019</u>								
Balance at January 1, 2019		\$ 423,735	\$ 29,841	\$ 78		(\$ 39,442)	\$ 31,835	\$ 446,047
Profit for the year		-	-	-		31,319	-	31,319
Other comprehensive income (loss)		-	-	-		(2,252)	25,252	23,000
Total comprehensive income		-	-	-		29,067	25,252	54,319
Balance at December 31, 2019		\$ 423,735	\$ 29,841	\$ 78		(\$ 10,375)	\$ 57,087	\$ 500,366
<u>Year 2020</u>								
Balance at January 1, 2020		\$ 423,735	\$ 29,841	\$ 78		(\$ 10,375)	\$ 57,087	\$ 500,366
Profit (Loss) for the year		-	-	-		30,742	-	30,742
Other comprehensive loss		-	-	-		(4,269)	(14,815)	(19,084)
Total comprehensive income		-	-	-		26,473	(14,815)	11,658
Balance at December 31, 2020		\$ 423,735	\$ 29,841	\$ 78		\$ 16,098	\$ 42,272	\$ 512,024

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

YUNG ZIP CHEMICAL IND. CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 29,187	\$ 31,319
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	65	485
Depreciation	6(6)(7)(19)	34,248	39,416
Amortisation	6(19)	400	399
Finance costs		1,597	893
Loss on disposal of property, plant and equipment	6(18)	(22)	288
Interest income	6(16)	(49)	(110)
Dividend income	6(17)	(383)	(317)
Bargain Purchase	6(17)	(2,793)	-
Share of profit of associates and joint ventures accounted for	6(5)	1,959	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2,108)	2,152
Accounts receivable		(16,696)	(10,256)
Accounts receivable-related parties		11,158	2,514
Inventories		(18,732)	(51,730)
Other current assets		804	10,503
Changes in operating liabilities			
Notes payable		-	(1,300)
Accounts payable		(5,986)	301
Other payables		7,132	4,810
Other current liabilities		531	2,749
Other non-current liabilities		(4,545)	(925)
Cash inflow generated from operations		35,767	31,191
Interest received		49	110
Dividend income		383	317
Interest paid		(1,597)	(862)
Net cash flows from operating activities		34,602	30,756
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(22)	(22,260)	(14,670)
Acquisition of investments accounted for using the equity method		(139,650)	-
Proceeds from disposal of property, plant and equipment		799	-
Increase in prepaid for equipments		(657)	-
Decrease (increase)in guarantee deposits paid		1,184	(1,500)
Net cash flows used in investing activities		(160,584)	(16,170)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(23)	5,000	-
Proceeds from long-term borrowings	6(23)	140,000	-
Repayments of long-term borrowings	6(23)	(18,750)	-
Repayment of principal portion of lease liabilities	6(7)(23)	(1,595)	(1,612)
Net cash flows from (used in) financing activities		124,655	(1,612)
Net (decrease) increase in cash and cash equivalents		(1,327)	12,974
Cash and cash equivalents at beginning of year	6(1)	53,133	40,159
Cash and cash equivalents at end of year	6(1)	\$ 51,806	\$ 53,133

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

Yung Zip Chemical Ind. Co., Ltd.
2020 Disposition Of Net Profit Table

Unit: New Taiwan Dollars

Items	AMOUNT
Accumulated loss at beginning of period	(\$10,376,292)
Add: 2020 net profit after tax	30,742,378
Less: Other comprehensive income	(4,268,759)
legal reserve	(1,609,733)
Distributable net profit after tax After compensating accumulated loss at beginning of period	14,487,594
Distributable items:	
Allocation of cash dividends	(4,237,344)
Unappropriated retained earnings	\$10,250,250

4 、 Discussion Items

Proposal 1: (Proposed by the Board of Directors)

Brief: Amendment to 「 Procedures for Acquisition or Disposal of Assets 」 .

Explanation:

- 1 、According to the notification letter from competent authority GreTai Securities Market on July. 6th 2020, the company hereby proposes to amend Article 6 and Article 31 of 「 Procedures for Acquisition or Disposal of Assets 」 .
- 2 、Please refer to page 30 for details.

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Brief: Proposal to release directors from non-competition restrictions

Explanation:

- 1 、According to the Company Act Article 209 Section 1:『 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 』 , it is proposed to release newly elected directors from non-competition restrictions.
- 2 、Details of affected directors as follows, please review and discuss:

Title	Director Name	Other Business and Title
Chairman	Chi Li, Lee	Taiwan Way Chein Ind. Co., Ltd.
Directors	Fang Chen, Lee	Taiwan Way Chein Ind. Co., Ltd.
Yung Shin Global Holding Corp Rep.	Yi Hsien, Lee	Taiwan Way Chein Ind. Co., Ltd.
Directors	Hung Wen, Chiang	Taiwan Way Chein Ind. Co., Ltd.

Resolution:

5 、 Questions and Motions

6 、 Adjournment

Comparison table for "Procedures for Acquisition or Disposal of Assets"

Before	After	Description
<p>Chapter II Disposition Procedures Section I Acquisition or Disposal of Assets Article 6: The limitation of Investment Amount of non-operating use real estate <u>and securities by the Company and each Subsidiary:</u></p> <p><u>1.The limitation of investment amount by the Company:</u> (1) <u>The total investment amount of all non-operating use real estate should not exceed 20% of the Company's paid-in capital.</u> (2) <u>The total amount of all security investments should not exceed 20% of the Company's paid-in capital.</u> <u>The amount of each security investment should not exceed 50% of the Company's paid-in capital.</u></p> <p><u>2.The limitation of investment amount by each Subsidiary</u> (1) <u>The total investment amount of all non-operating use real estate should not exceed 20% of the subsidiary's paid-in capital.</u> (2) <u>The total amount of all security investments should not exceed 20% of the subsidiary's paid-in capital.</u> <u>The amount of each security investment should not exceed 50% of the subsidiary's paid-in capital.</u></p> <p><u>The calculation of all security investments referred to original investment cost.</u></p>	<p>Chapter II Disposition Procedures Section I Acquisition or Disposal of Assets Article 6: <u>1.The limitation of individual acquisition amount of non-operating use real estate and its right-of-use asset by the Company and subsidiaries:</u></p> <p><u>The total amount of acquisition of all real estate and its right-of-use asset should not exceed 20% of the Company's paid-in capital.</u></p> <p><u>The total amount of acquisition of all real estate and its right-of-use asset should not exceed 20% of the subsidiary's paid-in capital.</u></p> <p><u>2. The limitation of acquisition amount of security by the Company and subsidiaries:</u></p> <p><u>The total acquisition amount of security by the Company should not exceed 200% of Company's net worth.</u></p> <p><u>The total acquisition amount of security by subsidiary should not exceed 100% of subsidiary's net worth.</u></p> <p><u>3.The total amount of each security investment by the Company and subsidiaries should not exceed 50% of the preceding limit.</u></p>	<p>Revise the limitation of non-operating use real estate and its right-of-use asset and security</p>

Before	After	Description
<p>Chapter IV Additional Provisions Article 31: Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company.</p> <p>The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 29, paragraph 1.</p> <p><u>For the calculation of 10 percent of total assets</u> under these 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.</p>	<p>Chapter IV Additional Provisions Article 31: Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company.</p> <p>The paid-in capital or total assets of the public company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 29, paragraph 1.</p> <p><u>For the total assets under these procedures,</u> 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.</p> <p><u>For the net worth under these procedures, the net worth stated in the Balance sheet consolidated Net Income Attributed to Stockholders of the Company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u></p>	<p>Revise the content</p>

7、Appendices

1、2021 Annual Meeting of Shareholders – Status of Shareholder Proposals

- 1、According to the Company Act, Article 172, shareholders holding more than one percent of total issued shares, may submit a written proposal to the company for consideration at Annual Meeting of Shareholders, limited to maximum of one proposal, and maximum of three hundred characters.
- 2、Proposals for the 2021 Annual Meeting of Shareholders shall be handled during the application period from March 20 to 30th, 2021, and will be announced publicly on “Market Observation Post System” in accordance with law.
- 3、No shareholder proposals were received during the period this year.

2、Shareholding of Directors and Supervisors and All Shareholders’ Minimum Shareholding Figures

As of Mar.29th 2020

Title	Name	Ownership as of Transfer Suspension Day
Chairman	Chi Li, Lee	174,942
Director	YungShin Global Holding Corp. (Rep.:Yi Hsien, Lee)	8,817,302
Director	YungShin Global Holding Corp. (Rep.:Chih Wei, Chien)	
Director	Fang Chen, Lee	1,210,389
Director	Hung Wen, Chiang	415,090
Independent Director	Yang Tzong, Tsay	0
Independent Director	Tzi Sheng, Wu	0
Total		10,617,723
Supervisor	Chao Lung, Hu	307,953
Supervisor	Pei Chun, Chen	5,000
Supervisor	Teh Ming, Leu	83,372
Total		396,325
Statutory Holding Requirement	All Directors	3,600,000
	All Supervisors	360,000

3 、 Company Charter

YUNG ZIP CHEMICAL IND. CO., LTD. Company Charter

Chapter I General Provisions

Article 1:

This company is named “YUNG ZIP CHEMICAL IND. CO., LTD.” in accordance with the Company Act.

Article 2:

The business activities of this company are as follows:

1. C802041 Drugs and Medicines Manufacturing.
2. C801030 Precision Chemical Materials.
3. C802120 Industrial Catalyst Manufacturing.
4. F108021 Wholesaler of Drugs and Medicines.
5. F107070 Wholesaler of Veterinary Drugs.
6. C802060 Veterinary Drugs Manufacturing.
7. F401010 International Trading.
8. C802100 Cosmetic Manufacturing.
9. C802990 Other Chemical Products Manufacturing.
10. F107200 Wholesaler of Chemical Raw Materials.
11. F108031 Wholesaler of Medical Equipment.
12. F108040 Wholesaler of Cosmetics.
13. ZZ99999 Business activities not prohibited or restricted by law except those requiring special approval.

Article 3:

The company is located in Taichung City, Taiwan. If necessary, once agreed by Board of Directors and approved by local authorities, it may establish or revocation branches and plants in different parts of the country or in foreign countries.

Article 4:

Endorsements/guarantees provided by the company are subject to the company’s procedures for endorsements and guarantees.

Article 5:

The company may deem it necessary for the business to invest in other businesses may become a limited liability shareholder of another business by resolution of the board of directors. The total investment need not be subject to Article 13 of the Company Act stipulating the investment may not exceed 40% of the company’s paid-in capital.

Chapter II Shares

Article 6:

The capital of this company is set at NT\$700 million, divided into 70 million shares, of NT\$10 per share. Above capital amounting to NT\$50 million, divided into 5 million shares, of NT\$10 per share, shall be retained to offer share subscription warrants, special shares under ancillary share subscription rights, shares for conversion from convertible corporate bonds; among them, the board of directors is authorized to issue the unissued shares in accordance with Company Act and other relevant regulations.

Article 7:

All the shares of the company are inscribed shares, that require signatures or personal seals of at least three directors before, before they are certified by the competent authority or issuance and registration institution approved by the competent authority. Shares may also be issued without printed stocks and suck stocks may be placed in the custody of centralized securities depository services.

Article 8:

The company will offer shareholder services as per "Criteria Governing Handling of Stock Affairs by Public Stock Companies" promulgated by the securities authority.

Article 9:

Within 60 days of each annual meeting of shareholders, 30 days before each ad hoc shareholder meeting, or five days before the company decides the base date for dividend and bonus distribution or other profit; share transfer registration will be suspended.

Chapter III Shareholder Meetings**Article 10:**

The shareholder meetings of the company are of two types, annual meeting of shareholders and ad hoc shareholder meetings; annual meetings of shareholders are held every year and to be convened within six months of the end of the fiscal year, and shareholders shall be notified 30 days before the annual meeting; ad-hoc meetings may be convened according to relevant laws when necessary, and shareholders shall be notified 15 days before ad hoc meetings. The notification shall state the date and location of and reasons for said meetings. The shareholders can be notified in both writing or electronically style in accordance with laws and regulations. However, for shareholders with less than 1,000 shares, the announcement will be sufficient. Unless otherwise stipulated in the Company Act, annual meetings of shareholders are convened by the Board of Directors.

Article 11:

A shareholder who is unable to attend a shareholder meeting may delegate the power to an agent to attend, providing a power of attorney printed by the company specifying the nature of authority. Shareholder delegation of this kind, except as provided for in Company Act Article 177, is conducted according to "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.

Article 12:

Resolutions by shareholders shall, unless otherwise provided for in relevant regulations, be adopted by a majority vote of the shareholders present in person or by proxy, who represent more than one-half of the total number of voting shares. The election subjects of the shareholders' meeting may be performed electronically in accordance with relevant laws and regulations. When performing the voting electronically, the method of election shall be stated in the notice of the shareholders' meeting.

Article 13:

Shareholders have one vote for each share in their possession, the election can be performed in both writing or electronically style, but this does not apply to shareholders who are restricted or have no voting rights under the Company Act.

Article 14:

Shareholders meeting is convened by the Board of Directors, and chaired by the chairman, if the chairman is absent, a proxy appointed by the chairman shall chair the meeting; if not appointed by the chairman, a proxy shall be appointed by the directors; if convened by any other person having the convening right, he/she shall act as the chairman of that meeting, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves. Shareholders meetings are conducted in accordance with rules governing the proceedings of meetings of Yung Zip.

Article 15:

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and distributed to all shareholders of the company within twenty days after the close of the meeting.

The recording and distribution of the abovementioned minutes may be conducted electronically;

distribution of minutes may also be effective by means of a public notice.

Chapter IV Board of Directors

Article 16:

The Board of Directors of the company will have seven to nine members, three supervisors, who shall be followed nomination system and elected by the shareholders meeting from the candidates. A director shall serve a term of three years, and may continue if reelected. The total inscribed shares held by directors and supervisors are governed by the standards promulgated by the Financial Supervisory Commission in "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

The aforesaid number of directors shall include shall include at least two independent directors and may not be less than one fifth of the total director seats; a candidate nomination system is adopted for shareholders to elect from the directors' candidate list. The professional requirements and restrictions on shareholding and part-time status of independent directors and, nomination and election methods and other governing rules, are performed in accordance with regulations by the competent authority.

Independent and non-independent directors' election shall be conducted concurrently and number to be elected calculated respectively.

Article 17:

The chairman shall be elected from among the directors at the Board of Directors meeting attended by at least two thirds of the directors and with the approval of the majority of the attending directors. In addition to exercising his duties in accordance with regulations, the company charter, and resolutions of the board of directors and shareholders' meetings, the chairman shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, he/she shall appoint a director to act on his/her behalf, in case the chairman has not appointed a proxy, the directs shall choose one among themselves.

A director, if unable to appear at the meeting of the board of directors, may choose another director as proxy, and should produce a power of attorney indicating the nature of authority, but each agent may accept the delegation of one director only.

A meeting of the board of directors shall be convened once per quarter, a notice setting out reasons for convention shall be issued to all directors and supervisors seven days prior to the meeting except for meetings convened in emergencies. The meeting noticed may be issued in writing or through email or fax.

Article 18:

The company's management guidelines and important affairs, except as provided for in the Company Act or the Company Charter shall be resolved by the Board of Directors.

Article 19:

Resolutions adopted by the Board of Directors, except as otherwise provided for in the Company Act, shall be decided by a majority vote of the directors present at a meeting of the board of directors attended by at least more than half of the entire directors of the company.

Article 20:

When the number of vacancies in the board of directors equals one third of the total number of directors or all supervisors have resigned, a special meeting of shareholders shall be convened within sixty days to elect successors whose terms shall equal the remaining period of the vacancies.

Chapter V Supervisors

Article 21:

Apart from executing their other legal responsibilities, supervisors may attend meetings of the board of directors, but have no voting rights.

Chapter VI Employees

Article 22:

The company's manager's appointment, resignation and remuneration are performed in accordance with the Company Act, Article 29.

Article 23:

The president shall follow the instructions of the chairman and act according to the authority conferred by the Board of Directors to manage all the operations of the company.

Chapter VII Surplus Distribution

Article 24:

The company shall follow Jan. 1 to Dec. 31 each year as the fiscal year. The Board of Directors will prepare the following reports and statements at the close of each fiscal year and present it thirty days prior to the annual meeting of shareholders to the supervisors for auditing, and subsequently present it for ratification in the annual general meeting of shareholders:

- 1, Business Report.
- 2, Financial Statement.
- 3, The surplus earning distribution or loss off-setting proposals.

Article 25:

If there is profit at the end of the fiscal year, the company shall appropriate 1% to 15% as employee remuneration; and not more than 3% as director and supervisor remuneration. However, if the company has an accumulated deficit, the deficit is offset first.

The distribution of employee remuneration as stocks or cash, shall be resolved by a majority vote of a meeting of the board of directors attended by at least two thirds of the total directors, and reported at the meeting of shareholders. Employee compensation is distributed to stocks or cash including employees of subordinate companies that meet certain conditions.

Article 25-1:

The industrial environment of the company is ever changing and its corporate life cycle is in a stage of steady growth, if funds remain after meeting the final account each year, the company shall distribute the surplus in the following order:

1. Pay the taxes according to law.
2. Offset losses of previous years.
3. Appropriate 10% to be the statutory surplus reserve.
4. Appropriate certain percentages to be listed or returned specially by law.
5. The distribution of dividends may use one of three methods: "Earnings to increase in amount of paid-in capital, Capital reserve transfer to capital increase and Cash dividends." If there is an appropriate investment plan that can increase the profitability of the company, then a low cash dividend ratio policy will be adopted, with surpluses or capital surpluses directed to increasing capital stock. In response, when the capital expansion affects the profitability level, then high cash dividend ratio policy will be used.
6. A distribution plan for the surplus and accumulated undistributed surplus for the previous year will be proposed by the Board of Directors and submitted to shareholders' meeting for ratification. The total amount of shareholder bonus should be between 10% and 90% of the accumulated undistributed earnings, of which the cash dividend should be at least 20%. However, if the stock dividend is less than 0.1 yuan per share, it may be decided by the board of directors and replaced by a cash dividend and ratified at the shareholders' meeting.

Chapter VIII Supplementary Provisions

Article 26:

All matters not covered by this charter shall be dealt with in accordance with the Company Act and relevant regulations.

Article 27:

The board of directors is authorized to determine the remuneration of the directors of the company, the supervisors in proportion to the degree of participation and contribution to company's operations, and with consideration given to domestic and foreign industry standards. The company may purchase liability insurance for the directors and supervisors during their tenure in accordance with their business activities covering their legal compensation liability.

Article 28:

This charter was established April 26, 1978.

The first amendment was made on May 21, 1978.

The second amendment was made on July 5, 1980.

The third amendment was made on September 14, 1980.

The fourth amendment was made on November 27, 1981.

The fifth amendment was made on June 12, 1983.

The sixth amendment was made on April 15, 1984.

The seventh amendment was made on September 7, 1984.

The eighth amendment was made on June 29, 1985.

The ninth amendment was made on August 2, 1986.

The tenth amendment was made on June 14, 1987.

The eleventh amendment was made on June 11, 1988.

The twelfth amendment was made on May 19, 1989.

The thirteenth amendment was made on May 29, 1989.

The fourteenth amendment was made on June 28, 1991.

The fifteenth amendment was made on July 22, 1996.

The sixteenth amendment was made on April 28, 1997.

The seventeenth amendment was made on January 12, 1998.

The eighteenth amendment was made on May 8, 1998.

The nineteenth amendment was made on May 15, 1999.

The twentieth amendment was made on April 29, 2000.

The twenty-first amendment was made on June 7, 2001.

The twenty-second amendment was made on May 24, 2002.

The twenty-third amendment was made on May 27, 2005.

The twenty-fourth amendment was made on June 9, 2010.

The twenty-fifth amendment was made on June 9, 2011.

The twenty-sixth amendment was made on June 15, 2012.

The twenty-seventh amendment was made on June 16, 2015.

The twenty-eighth amendment was made on June 15, 2016.

The twenty-ninth amendment was made on June 14, 2018.

The thirtieth amendment was made on June 21, 2019.

4 · Rules of Procedures for Shareholder Meetings

YUNG ZIP CHEMICAL IND. CO., LTD.

Article 1:

Except as otherwise provided for in relevant regulations, shareholders meetings for the company shall be conducted in accordance with these Rules.

Article 2:

Shareholders' meeting should have a sign-in booklet to record shareholder attendance, or otherwise record attendance by use of a check-in card. Attendance shall be calculated on the basis of the sign-in booklet or check-in card.

Article 3:

Shareholders' meeting attendance shall be calculated on the basis of number of shares.

Article 4:

The shareholders' meeting shall be conducted in the city of location of the company or place convenient for shareholders to attend and suitable for the convention of the meeting. The start time of the meeting must not be earlier than 9 am or later than 3 pm.

Article 5:

If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall chair the meeting. If the chairman is on leave or unable to execute his power for any reason, the vice chairman of the board of directors shall act as his agent; if there is no vice chairman or the vice chairman is on leave or unable to execute his power for any reason, a managing director shall be appointed by the chairman to act as his agent; if no managing director is thus appointed, the chairman will appoint a director to act as his agent; if the chairman has not appointed a director to act as his agent, the managing directors or directors shall choose an agent from among themselves to chair the meeting. If the shareholders' meeting is convened by convener other than the board of directors, it will be chaired by said convener.

Article 6:

The company may appoint lawyers, accountants or related personnel to attend the shareholders' meeting. Meeting personnel handling shareholders' meetings should wear identification cards or badges.

Article 7:

The company should record or videotape the entire proceedings of the shareholders' meeting and save it for at least one year.

Article 8:

At the time of the meeting, the chairman shall immediately announce the meeting, however if the shareholders in attendance are insufficient to represent more than half of issued shares, the chairman may announce a delay in the meeting, the number of such delays is limited to two, and the total delay time shall not exceed one hour. If number of shareholders is still insufficient after two postpones and at least sufficient shareholders to represent one third of issued shares are in attendance, a tentative resolution may be passed in accordance with Company Act Article 175 Clause 1. Before the meeting ends, if the number of shares represented by the shareholders in attendance exceeds half of the total number of issued shares, the chairman may raise the tentative resolution for a vote in accordance with Company Act Article 174.

Article 9:

If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. The meeting shall be conducted in accordance with the scheduled agenda, which may not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by convener other than the board of directors, the above stipulation applies.

If the said agenda is not fully resolved before proceedings (including other motions) have been completed, the chairman is not able to adjourn the meeting at his own discretion without putting up the matter for a resolution.

After the meeting is adjourned, shareholders may not choose another chairman to continue the meeting at the original or new location; but if the chairman violates the rules of meeting procedure to adjourn the meeting, then with the agreement of at least half of the shareholders present, a new chairman may be chosen to continue the meeting.

Article 10:

Before a statement may be made by an attending shareholder, a statement card should be filled out containing a summary of the statement to be made, the shareholder number (or attendance ID number) and name of the speaker, and the order of speakers shall be determined by the chairman. Attending shareholders who filled out a statement card but made no statement are deemed not to have spoken; if the content of the statement is inconsistent with the summary on the statement card, the content of the verbal statement shall prevail. When attending shareholders are making a statement, other shareholders may not interfere without seeking the approval of the chairman and the shareholder making the statement, violators shall be stopped by the chairman.

Article 11:

Each shareholder may make a statement up to two times maximum on the same motion, each time for a maximum of five minutes. Shareholders in violation of the above or whose statements exceed the scope of the topic may be stopped by the chairman.

Article 12:

When a juristic person is entrusted to a shareholders' meeting, said juristic person may only appoint one person to attend.

When a juristic person shareholder appoints two or more representatives to attend the shareholders' meeting, for each motion a maximum of one representative may make a statement.

Article 13:

After a shareholder's statement, the chairman may respond or appoint a person to respond.

Article 14:

When the chairman believes discussion of a motion as reached the point of being put up for a vote, the chairman may stop the discussion and put the motion to a vote.

Article 15:

Personnel responsible for overseeing and counting voting shall be appointed by the chairman, but the person responsible for oversight shall be a shareholder. When voting is finished, the result should be immediately announced and recorded.

Article 16:

During the course of the meeting, the chairman may declare a rest period at his discretion.

Article 17:

Except as otherwise provided for in the Company Act and company charter, motions shall be passed by a majority of shareholders in attendance. In the case of a vote, if the chairman after solicitation finds no objectors, the motion may be deemed to have passed with the same effect as that of carrying out a vote.

Article 18:

When there is an amendment or alternative to a motion, the chairman may set the voting order of said motions along with the original motion. If one of these motions is passed, the other motions shall be considered vetoed and no further voting will be required.

Article 19:

The chairman may appoint a marshal (or security officer) to maintain order at the meeting. The marshal or security officer should wear a badge indicating his status as marshal or security officer.

Article 20:

These rules take effect after being passed by the shareholders' meeting, and the same applies during revisions.