



CAYMAN ENGLE Y INDUSTRIAL CO., LTD.

The Annual Shareholders' Meeting in 2021

The Annual Shareholders' Meeting in 2021

Location: 14F., No. 349, Sec. 2, Zhongshan Rd., Changhua City, Changhua County
(Building of Changhua Farmer's Association)

Attendees:

1. Total shares represented by shareholders and proxy present 95,874,984 shares, which is 81.24% of the company's total outstanding shares, 118,007,000 shares.
2. Chairman: Liou, Cheng-Hwai
3. Director: Tsai, Meng-Han.
4. Independent Directors: Yeh, Chih-Ming, Liou, Cheng-Hwai, Hsu, Ching-Tao.
5. Recorder: Chen, Chi-Wei.

I. Words by the Chairman

(omitted)

II. Report Items

1. 2020 Business Report
2. Audit Committee's Review Report on the 2020 Financial Statements
3. Status of the 2020 Employees' and Directors' Compensations
4. Amendment to the "PROCEDURAL RULES OF BOARD MEETINGS".
5. Amendment to the "Code of Ethical Conduct".
6. Approval for the Letter of Commitment issued.
7. Approval for the Letter of Commitment issued by the subsidiary Changchun Engley Automobile Industry Co., Ltd. (hereinafter referred to as "Engley Automobile").

III. Proposal Items

Proposal No. 1

Adoption of 2020 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

1. The Company's 2020 financial statements have been resolved in the Board of Directors meeting convened on March 16, 2021. The Audit Committee has reviewed the aforementioned Financial Statements along with the Business Report and have issued the review report.
2. The Company's 2020 Business Report, Independent Auditors' Report, and the Financial Statements are attached hereto (Please refer to Attachment VIII of the handbook).
3. Please proceed to adopt.

Resolution:

1. Ratify 94,716,131 shares (including exercised by way of electronic transmission 94,716,131 shares);
2. Oppose 3,122 shares (including exercised by way of electronic transmission 3,122 shares);
3. Abstain from voting 1,155,731 shares (including exercised by way of electronic transmission 481,653 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

2020 Business Report

(1) Business Results

Due to the outbreak of novel coronavirus epidemic, the sales volume of automobiles fell sharply in China's market in February, 2020. With epidemic coming under control, the production lines of enterprises have been almost recovered, the logistics are in normal operations, and the demands of end consumers have been released. Plus the strong support of national policies in China, the automotive market is expected to be fully recovered in the second half of this year. The sales volume of passenger cars in China in 2020 was 20,178,000 units, which was decreased by 6% if compared with that of 2019. The Company has successfully undertaken the new energy vehicle projects of Volvo and FAW Volkswagen in recent years. In the future, it will continue to actively expand cooperation with other joint venture brands such as Geely Automobile, Great Wall Motors, etc., and the China's self-owned brands. The following presents financial revenue and expenditure and profitability in 2020, and the Company's strategies for future development. The 2020 revenue and expenditure, profitability analysis and report on future development strategy are as follows:

(2) Revenue and Expenditure and Profitability Analysis

Unit: NT\$ thousands; %

Item \ Year		2019	2020	Growth
Profit and Loss Analysis	Operating Revenue	22,239,873	21,644,152	(2.68)
	Gross Profit	3,744,203	3,456,702	(7.68)
	Net Income	644,193	480,621	(25.39)
Profitability	Return on Asset (%)	3.96	3.29	(16.92)
	Return on Equity (%)	7.31	6.22	(14.91)
	Operating Revenue to Paid-In Capital (%)	121.48	107.54	(11.48)
	Net Income to Paid-In Capital (%)	96.01	84.63	(11.85)
	Profit Margin (%)	4.35	3.81	(12.41)
	Basic Earnings Per Share (NT\$)	5.46	4.07	(25.46)
	Diluted Earnings Per Share (NT\$)	5.32	4.03	(24.25)

Note: The figures in this table are from the consolidated financial statements audited by CPAs and are prepared using the International Financial Reporting Standards.

(3) Future Development Strategy

1. Capacity Expansion Plan

The plants in Changchun, Tianjin and Suzhou have undergone a series of renovations with more assembly lines to fulfill anticipated demand of new energy vehicles in the future. The company will improve products' added value by including craftsmanship but not limited to aluminum rinse and electroplating process.

2. Research and Development Overview

In response to the trend of lightweighting in the automotive industry, in addition to continuous process improvement of high-strength steel rolling technology, heat treatment technology and aluminum alloy products, new composite materials have been continuously invested in the development of automotive parts.

The Company strengthens the degree of automation and automatic detection technology of back-end computers to improve process accuracy and improve product yield. In response to customer requirements, we strive to develop modular products to provide better product service quality to our customers.

3. Business Development

The company will continue to follow the footsteps of the OEMs. In addition to maintaining existing customer relationships, we will also cooperate with China's major cities to purchase automobile and government-related electric vehicle subsidy policies. At the same time, we will actively plan to enter the new energy vehicle market and expand new product projects with a view to preempting them. We have successfully received new energy vehicle projects from Volvo and FAW Volkswagen to help introduce operational energy to the Company's operations. In the future, we will engage with other brands such as the BAIC Group and other automobile manufacturers to discuss related cooperation matters, and look forward to providing aluminum and plastic products related to new energy vehicles.

It will enter China's 14th Five-Year Plan in 2021, driven by the "New Energy Automobile Industry Development Plan (2020-2025)", electrification, intelligence, connectivity and digitization will accelerate the transformation and upgrading of the automobile industry, and the new energy vehicle market will also shift from policy-driven to market-driven change. Many research institutes in China predicted that the economic growth in China may remain 7.5% in 2021. Despite low Consumer Price Index in China, consumers tend to decrease unnecessary consumption with lower consumer confidence when GDP growth rate is not as high as before. Given that the growth rate in the base year is high, it can be assumed that the rapid expansion stage of the automotive industry in China may end, and the market gradually moves into the stage of stable development. However, China's macroeconomic regulation and control is still in favor of development of car manufacturers and upstream auto part firms because macro-control emphasizes continuity and stability of economic policies, which benefits large-scale firms with promising long-term effect.

Chairman: Lin, Chi-Pin

General Manager: Lin, Chi-Pin

Accounting Supervisor: Yang, Cheng-Feng

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposed distribution of earnings. The CPA firm of PwC. was retained to audit the Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposed distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To: 2021 Annual Meeting of Shareholders, Cayman Engleigh Industrial Co., Ltd.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

Convener of the Audit Committee: Liou, Cheng-Hwai

March 16, 2021

**These three financial statements are translated from the traditional Chinese version and are unaudited by a PCA.

Independent Auditors' Report

(2021)PWCR20004199

To the Board of Directors and Shareholders of Cayman Engley Industrial CO., LTD.,

Audit Opinion

We have audited the consolidated balance sheets of Cayman Engley Industrial CO., LTD. and its subsidiaries (the "Company") as at December 31st, 2020 and 2019, and the consolidated comprehensive profit or loss statement, consolidated statement of changes in equities and consolidated cash flow table for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31st, 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 Preparations 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 of Audit Opinion

We conducted our audits in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China (ROC GAAS) in 2019; and conducted our audits in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants", JinguanzhengshenZi No. 1090360805 Letter issued by the Financial Supervisory Commission on February 25th, 2019 and auditing standards generally accepted in the Republic of China (ROC GAAS) in 2019. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the consolidated financial statements of the Company's consolidated financial statements for the year ended December 31st, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in the process of forming our opinion thereon, we do not provide a separate opinion on these matters.

Deadline of the Recognition of the Sales Revenue

Description

For accounting policies on the recognition of revenue, please refer to Note 4 (29) of the consolidated financial report. For explanation of accounting of sales revenues, please refer to Note 6 (24) of the consolidated financial statement. The operating income of the Company is mainly derived from sales transactions with car-assembly manufacturers. Since the automobile industry is the buyer's market, the recognition of revenue comes into effect after the customer has accepted the goods and confirmed the transfer of control of products.

Since the impact of revenue on the overall financial statements is enormous, as revenue recognition is based upon completion time of customer acceptance, plus said recognition usually involves many manual controls which may increase the risk that revenue recognition is not recorded in the correct period of time, thereby affecting correctness of deadline of revenue recognition. Therefore, the accountants listed deadline for sales revenue recognition as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters :

1. Understand the sales revenue operating procedures of car-assembly manufacturers of the Company; Evaluate and test effectiveness of the design and implementation of internal control system of car-assembly manufacturers related to revenue recognition
2. Verify the sales transaction with the group car assembly manufacturer within a certain period before and after the date stated in the balance sheet, and verify the proof of the transfer of control of the goods provided by the car assembly manufacturers to confirm the correctness of the transaction recognition deadline.

Evaluation of Allowance for Inventory Valuation Losses

Description

For accounting policies on inventory valuation, please refer to the Note 4 (12) of the consolidated financial report. For uncertainties of accounting estimations and assumptions of

inventory valuations, please refer to Note 5 (2) of the consolidated financial report. For description of inventory accounting, please refer Note 6 (3) of the consolidated financial report. Balance of inventory and allowance for inventory valuation of December 31st, 2020 are NT \$4,388,744 and NT \$316,914 thousands respectively.

The Company is mainly engaged in the manufacturing and sales of automobile parts. The value of inventories is subject to fluctuations of the demand market and rapid changes in technologies, which may result in higher inventory depreciation losses or outdated risks. Taking into account the significant impact on the financial statements of the inventory of the Company and its allowance for depreciation losses, the net realization value used in inventory valuation often involves subjective judgments, and thus has a high level of estimation uncertainty. Therefore, the accountants listed evaluation of allowance for inventory valuation losses as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters:

1. Understand and evaluate the rationality of the Company's inventory valuation policies.
2. Obtain the inventory age statement, check inventory items randomly to examine logic behind inventory age calculation and information correctness to ensure appropriate categorization of inventory age.
3. As for net realizable value valued of inventory items, the accountants have discussed with the management team and obtained supporting documentation to assess rationality of valuation allowance decisions.

Responsibilities of the Management Team and Those in Charge with Governance for the Consolidated Financial Statements

The management team 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 for the necessary internal control related to the preparation of the consolidated financial statements to ensure that said statements are free from material misstatement, whether due to fraud or error, in accordance with the published and effective International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as recognized and endorsed by the Financial Supervisory Commission.

When preparing the consolidated financial statements, responsibilities of the management team includes assessing the Company's ability to continue as a going concern, disclosing, as applicable, related matters, and adopting the going concern basis of accounting

unless the management team either intends to liquidate the Company or to cease operations of which, or has no realistic alternative but to do so.

Those charged with governance of the Company (including members of the Audit Committee) are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

When auditing in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also implemented the following procedures

1. Identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error; Design and perform audit procedures responsive to the said risks; Obtain audit evidence sufficient and appropriate to provide basis for audit 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 the necessary understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate appropriateness of accounting policies adopted by the management team, and the rationality of accounting estimations and related disclosures made by the management team.
4. Conclude on the appropriateness of the management team's adaptation of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of consolidated financial report users in our auditors' report to the related disclosures in the consolidated financial statements; or, if such disclosures are inappropriate, we shall modify our audit opinions accordingly. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to lose the ability to continue as a going concern.

5. Evaluate the overall presentations, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding financial information of entities within the Company, in order to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the Company audit.

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 personnel under individual specification of the accounting firm have complied with relevant ethical requirements regarding independence of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence (including related safeguarding measures).

From the matters communicated with those charged with governance, we determine matters that were of most significance in the audit of the Company's consolidated financial statements for the year ended December 31st, 2019, which are therefore key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh benefits to public interest of such communication.

Liu, Mei-Lan

Certified Public Accountants

Yang, Ming-Ching

Previously Securities and Futures Commission, Ministry of
Finance

Approval Issuance No. (81) Taicaizheng (6) inancial No.
33095

Financial Supervisory Commission

Approval Issuance No. JinguangzhengshenZi No.
1070323061

March 16th, 2021

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2020 and December 31st, 2019

Unit : NTD(thousands)

		Unit : MYR(Thousands)		December 31 st 2020		December 31 st 2019	
Assets		NOTES	Amount	%	Amount	%	
Current Assets							
1100	Cash and cash equivalent	6(1)	\$ 4,578,467	14	\$ 3,175,493	11	
1110	Financial assets measured at						
	amortised cost - current		8,189	-	-		
1150	Notes receivable, net	6(2)& 8	2,614,707	8	1,411,697	5	
1170	Accounts receivable, net	6(2)&8	3,190,063	10	3,629,404	12	
1180	Accounts receivable - related	7(3)	2,249	-			
	parties, net				2,279	-	
1200	Other receivables	7(3)	116,202	-	73,544	-	
130X	Inventory	6(3)	4,071,830	13	4,652,754	15	
1410	Prepayments	6(4)&7(3)	877,294	3	814,179	3	
1470	Other current assets	6(5)&8	1,006,422	3	1,039,754	3	
11XX	Total current assets		16,465,423	51	14,799,104	49	
Non current assets							
1517	Financial assets at fair value through	6(6)&7(3)					
	other comprehensive profit or loss –						
	non-current		99,094	-	108,439	-	
1550	Investment accounted for using	6(7)					
	equity method		1,240,282	4	1,220,207	4	
1600	Property, plant and equipment	6(8)&8	9,970,842	31	9,379,161	31	
1755	Right-of-use assets	6(9)	1,382,073	4	1,332,216	4	
1780	Intangible assets	6(10)	1,338,264	4	1,381,716	5	
1840	Deferred income tax assets	6(30)	325,602	1	314,803	1	
1900	Other non-current assets	6(11)&8	1,542,342	5	1,655,131	6	
15XX	Total non-current assets		15,898,499	49	15,391,673	51	
1XXX	Total assets		\$ 32,363,922	100	\$ 30,190,777	100	

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Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2020 and December 31st, 2019

Unit : NTD(thousands)

Liabilities and equities		NOTES	December 31 st 2020		December 31 st 2019	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(13)	\$ 2,770,210	9	\$ 3,005,943	10
2130	Contract liabilities-current	6(23)	298,911	1	265,348	1
2150	Notes payable		2,064,144	6	1,400,885	5
2160	Notes payable –related parties	7(3)	88,921	-	101,579	1
2170	Accounts payable		4,859,350	15	3,636,629	12
2180	Accounts payable – related parties	7(3)	561,856	2	381,309	1
2200	Other payables	6(14)	1,428,511	4	1,244,928	4
2220	Other payables - related parties	7(3)	2,738	-	7,289	-
2230	Income tax payable		35,967	-	86,146	-
2280	Lease liabilities – current	7(3)	111,214	-	95,239	-
2300	Other current liabilities	6(15)(16)				
		(17)&7(3)	1,470,387	5	2,215,744	7
21XX	Total current liabilities		13,692,209	42	12,441,039	41
Non current liabilities						
2530	Bonds payables	6(15)	-	-	393,118	1
2540	Long-term borrowings	6(16)	4,217,915	13	3,313,657	11
2570	Deferred income liabilities	6(30)	456,104	1	445,284	2
2580	Lease liabilities – non-current	7(3)	348,556	1	294,799	1
2600	Other non-current liabilities	6(17)	203,606	1	218,846	1
25XX	Total non-current liabilities		5,226,181	16	4,665,704	16
2XXX	Total liabilities		18,918,390	58	17,106,743	57
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY						
3110	Common stock	6(19)	1,180,070	4	1,180,070	4
	Capital surplus	6(20)				
3200	Capital surplus		8,371,087	27	8,371,087	27
	Retained earnings	6(21)				
3310	Legal reserve		481,639	2	442,409	2
3320	Special reserve		1,647,510	4	1,179,819	4
3350	Unappropriated retained earnings		817,610	4	1,326,536	4
	Other interests					
3400	Other interests		(1,422,115)	(4)	(1,647,510)	(5)
31XX	Total equity attributable to shareholders of the		11,075,801	34	10,852,411	36
36XX	Non-controlling interests	6(22)	2,369,731	8	2,231,623	7
3XXX	Total equity		13,445,532	42	13,084,034	43
	contingent liabilities and unrecognized contractual commitments	9				
3X2X	Total liabilities and interests		\$ 32,363,922	100	\$ 30,190,777	100

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Chi-Pin

General manager : Lin, Chi-Pin

Accounts supervisor : Yang, Cheng-Feng

Cayman Englev Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2020 and January 1st to December 31st, 2019 Unit : NTD (thousand)

(Except earnings per share, which is in NTD)

Items	NOTES	2020		2019	
		Amount	%	Amount	%
4000 Operating revenue	6(23)&7(3)	\$ 21,644,152	100	\$ 22,239,873	100
5000 Operating cost	6(3)&7(3)	(18,187,450)	(84)	(18,495,670)	(83)
5900 Operating margin		<u>3,456,702</u>	<u>16</u>	<u>3,744,203</u>	<u>17</u>
Operating expenses	6(28)&7(3)				
6100 Marketing expenses		(472,782)	(2)	(571,114)	(3)
6200 Administrative expenses		(914,443)	(4)	(1,033,701)	(5)
6300 Research and development expenses		(745,575)	(4)	(681,579)	(3)
6450 Expected credit impairment loss	12(2)	(54,894)	-	(24,303)	-
6000 Total operating expenses		<u>(2,187,694)</u>	<u>(10)</u>	<u>(2,310,697)</u>	<u>(11)</u>
6900 Operating income		<u>1,269,008</u>	<u>6</u>	<u>1,433,506</u>	<u>6</u>
Non-operating income and expenses					
7100 Interest incomes	6(25)	12,448	-	7,777	-
7010 Other incomes	6(26)	163,743	1	106,880	-
7020 Other profit and loss	6(24)	(120,179)	1	(40,567)	-
7050 Finance cost	6(27)	(270,448)	(1)	(325,931)	(1)
7060 Share of profit and loss of associates and joint ventures recognized using equity method	6(8)	(55,845)	(1)	48,630	-
7000 Total non-operating income and expenses		<u>(270,281)</u>	<u>(1)</u>	<u>(300,471)</u>	<u>(1)</u>
7900 Income before tax		998,727	5	1,133,035	5
7950 Income expenses	6(30)	(173,261)	(1)	(165,015)	(1)
8200 Net profit of the year		<u>\$ 825,466</u>	<u>4</u>	<u>\$ 968,020</u>	<u>4</u>

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2020 and January 1st to December 31st, 2019 Unit : NTD (thousand)

(Except earnings per share, which is in NTD)

	Items	Notes	2019		2018	
			Amount	%	Amount	%
	Components of other comprehensive profit and loss (net)					
	Items not reclassified to profit or loss					
8316	Unrealized assessed profit or loss invested by equity tools measured at fair value through other comprehensive profit or loss	6(6)	(\$ 3,959)	-	\$ 3,150	-
8310	Total items not reclassified to profit or loss		(3,959)	-	3,150	-
	Subsequent items that may be reclassified to profit or loss					
8361	Exchange differences on translation for financial statements of foreign organizations in operation		265,918	1	(554,901)	(2)
8370	Share of other comprehensive income of associates and joint ventures recognized using equity method that may be reclassified to profit or loss	6(7)	3,879	-	2,626	-
8360	Total Subsequent items that may be reclassified to profit or loss		(269,797)	(1)	(552,275)	(2)
8300	Other comprehensive profit or loss (net)		(\$ 265,838)	(1)	(\$ 549,125)	(2)
8500	Total comprehensive profit or loss for the year		<u>\$ 1,091,304</u>	<u>5</u>	<u>\$ 418,895</u>	<u>2</u>
	Net profit (loss) attributable to:					
8610	Shareholders of the parent company		\$ 480,621	2	\$ 644,193	3
8620	Non-controlling interests		344,845	2	323,827	1
			<u>\$ 825,466</u>	<u>4</u>	<u>\$ 968,020</u>	<u>4</u>
	Comprehensive income/loss (net) attributable to:					
8710	Shareholders of the parent company			3		
			\$ 706,016		\$ 176,502	1
8720	Non controlling interests		385,288	2	242,393	1
	Total comprehensive income		<u>\$ 1,091,304</u>	<u>5</u>	<u>\$ 418,895</u>	<u>2</u>
	Earnings per share	6(31)				
9750	Total basic earnings per share		<u>\$</u>	<u>4.07</u>	<u>\$</u>	<u>5.46</u>
9850	Total diluted earnings per share		<u>\$</u>	<u>4.03</u>	<u>\$</u>	<u>5.32</u>

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Chi-Pin

General manager : Lin, Chi-Pin

Accounts supervisor : Yang, Cheng-Feng

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Changes in Equities
Jan. 1st to Dec. 31st, 2019 and Jan. 1st to Dec. 31st, 2018 Unit: NTD (thousand)

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT													
		Surplus			Retained earnings			Other interests					
	Notes	Capital stock – Common equity	Capital stock – Amount	Capital stock	Legal reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Financial assets measured at fair value through other comprehensive income	Treasury stock	Total	Non-controlling interests	Total equity
<u>Jan. 1st to Dec. 31st, 2019</u>													
Balance on Jan. 1 st 2019		\$ 1,190,000	\$ 7,767,094	\$ 202,417	\$ 330,069	\$ 898,592	\$ 1,858,830	(\$ 1,179,819)	\$ -	(\$ 80,438)	\$ 10,986,745	\$ 2,412,728	\$ 13,399,473
Total consolidated profit and loss of the year		-	-	-	-	-	644,193	-	-	-	644,193	323,827	968,020
Other comprehensive profit and loss of the year		-	-	-	-	-	-	(470,841)	3,150	-	(467,691)	(81,010)	(548,701)
Total comprehensive profit and loss of the year		-	-	-	-	-	644,193	(470,841)	3,150	-	176,502	242,817	419,319
Appropriation and distribution of retained earnings in 2018	6(21)												
Legal surplus reserve		-	-	-	112,340	-	(112,340)	-	-	-	-	-	-
Special surplus reserve		-	-	-	-	281,227	(281,227)	-	-	-	-	-	-
Cash dividend		-	-	-	-	-	(531,032)	-	-	-	(531,032)	-	(531,032)
Changes in affiliates and joint ventures as recognized by equity method	6(7)	-	-	8,789	-	-	-	-	-	-	8,789	424	16,555
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	-	-	(268,655	553,525
Agreement to purchase additional equity of subsidiaries	6(32)	-	457,600	-	-	-	(209,321)	-	-	-	248,279	-	(457,600)
Bought back of treasury stock	6(19)	-	-	-	-	-	-	-	-	(36,872)	(36,872)	-	(36,872)
Treasury shares wrote off	6(19)	(9,930)	(64,813)	-	-	-	(42,567)	-	-	117,310	-	-	-
Cash dividend of subsidiary shareholders	6(22)	-	-	-	-	-	-	-	-	-	-	(155,267)	(155,267)
Balance on Dec. 31 st 2019		\$ 1,180,070	\$ 8,159,881	\$ 211,206	\$ 442,409	\$ 1,179,819	\$ 1,326,536	(\$ 1,650,660)	\$ 3,150	\$ -	\$ 10,852,411	\$ 2,231,623	\$ 13,084,034
<u>Jan. 1st to Dec. 31st 2020</u>													
Balance on Jan. 1 st 2020		\$ 1,180,070	\$ 8,159,881	\$ 211,206	\$ 442,409	\$ 1,179,819	\$ 1,326,536	(\$ 1,650,660)	\$ 3,150	\$ -	\$ 10,852,411	\$ 2,231,623	\$ 13,084,034
Total consolidated profit and loss of the year		-	-	-	-	-	480,621	-	-	-	480,621	344,845	825,466
Other consolidated profit and loss of the year.		-	-	-	-	-	-	229,354	(3,959)	-	225,395	40,443	265,838
Total consolidated profit and loss of the year		-	-	-	-	-	480,621	229,354	(3,959)	-	706,016	385,288	1,091,304
Appropriation and distribution of retained earnings in 2018	6(21)												
Legal reserves		-	-	-	39,230	-	(39,230)	-	-	-	-	-	-
Special reserves		-	-	-	-	467,691	(467,691)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(295,018)	-	-	-	(295,018)	-	(295,018)
Agreement to purchase additional equity of subsidiaries.	6(22)& 6(32)	-	-	-	-	-	(187,608)	-	-	-	(187,608)	(78,552)	(266,160)
Cash dividend of subsidiary shareholders	6(22)	-	-	-	-	-	-	-	-	-	-	(168,628)	(168,628)
Balance on Dec. 31 st , 2020		\$ 1,180,070	\$ 8,159,881	\$ 211,206	\$ 481,639	\$ 1,647,510	\$ 817,610	(\$ 1,421,306)	(\$ 809)	\$ -	\$ 11,075,801	\$ 2,369,731	\$ 13,445,532

Please refer to the accompanying notes, an integral part of the consolidated financial statements °
General Manager: Lin, Chi-Pin

Chairman: Lin, Chi-Pin

Accounts supervisor: Yang, Cheng-Feng

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2020 and Jan. 1st to Dec. 31st, 2019

Unit : NTD(thousand)

	Notes	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Income before tax of the year		\$ 998,727	\$ 1,133,035
Items for adjustment			
Income and expense items			
Depreciation expense-Property, plant and equipment	6(9)(28)	1,127,521	1,076,641
Depreciation expense-Right of use of assets	6(10)(28)	148,048	170,632
Amortization	6(11)(28)	117,261	120,046
Profit or loss evaluated of financial assets measured by fair value through profit or loss		-	1,320
Recognized share of profit(loss) of subsidiaries or associates using equity method	6(7)	55,845	48,630
Loss of disposal of property, plant and equipment	6(24)	10,328	4,726
Loss of goodwill	6(10)(24)	50,643	11,338
Intangible asset disposal loss		-	124
Expected credit impairment loss	12(2)	54,894	24,303
Interest income	6(25)	(12,448)	(7,777)
Interest cost-financing	6(27)	247,816	304,294
Interest expense – lease liability	6(9)(27)	18,520	20,952
Interest expense – joint loan amortization	6(27)	4,112	685
Corporate debt redemption loss		-	8,475
Recognized income of deferred government grants	6(17)	(18,366)	(5,226)
Loss from unrealized foreign currency exchange		80,967	(42,640)
Asset/liability changes related to operating activities			
Net changes of assets related to operating activities			
Notes receivable		(1,209,642)	(298,557)
Accounts receivable, net		390,452	418,756
Accounts receivable, related parties		30	376
Other receivables		961	(674)
Other receivables-related parties		3,389	(4,295)
Inventory		584,855	730,255
Prepayments		(76,606)	278,960
Other current assets		(34,360)	10,823
Other non-current assets		(70,060)	(40,337)
Net changes in liabilities related to operating activities			
Contract liabilities		33,563	(257,222)
Notes payable		663,259	(186,052)
Notes payable-related parties		(12,658)	(12,927)
Accounts payable		1,222,721	(90,240)
Accounts payable-related parties		180,547	(214,748)
Other payables		184,122	(24,134)
Other payables- related parties		(4,551)	(436)
Other current liabilities		58,045	4,091
Other non-current liabilities		3,126	(13,350)
Cash inflow generated from operations		4,801,061	3,169,847
Interests received		12,448	7,777
Interests paid		(264,696)	(314,281)
Income taxes paid		(210,687)	(259,113)
Net cash flow from operating activities		4,338,126	2,604,230

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2020 and Jan. 1st to Dec. 31st, 2019

Unit : NTD(thousand)

Cash flow from investment activities

Acquisition of investments accounted for using equity method	6(7)	(\$ 132,219)	\$ -
Acquisition of property, plant and equipment	6(33)	(1,418,893)	(1,911,371)
Disposal of real estate, plant and equipment prices		31,816	21,847
Acquisition of intangible assets	6(10)	(73,270)	(67,491)
Refundable deposits decrease	6(5) (11)	50,122	63,948
Financial assets measured by amortized cost		(8,189)	-
Dividends received from investments accounted for using equity method	6(7)(33)	25,501	124,969
Financial assets measured at fair value through other comprehensive income-non-current	7(3)	-	(107,939)
Net cash outflow from investment activities		(1,525,132)	(1,876,037)

CASH FLOW FROM FINANCING ACTIVITIES

Increase in short-term loans	6(34)	(303,696)	800,749
Decrease in other borrowing	6(34)	-	(9,713)
Lease principal repayment	6(34)	(111,239)	(145,357)
Issuance of convertible bonds	6(34)	(476,400)	(623,600)
Borrow long-term loans	6(34)	2,707,402	2,465,052
Repayment of long-term loans	6(34)	(2,626,688)	(1,728,707)
Number of cash payments for new syndicate loans organizing fees		-	(12,334)
Cash dividends of shareholders from subsidiary	6(22)	(168,628)	(155,267)
Distributed cash dividends	6(21)(34)	(295,018)	(531,032)
Acquisition of the non-controlling price equity of subsidiaries	6(32)	(266,160)	(345,897)
Bought back treasury stocks	6(19)	-	(36,872)
Net cash inflow (outflow) from financing activities		(1,540,427)	(322,978)
Exchange rate change		130,407	(470,975)
Net increase (decrease) in cash and cash equivalents		1,402,974	(65,760)
Cash and cash equivalents, beginning of year	6(1)	3,175,493	3,241,253
Cash and cash equivalents, end of year	6(1)	\$ 4,578,467	\$ 3,175,493

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Chi-Pin

General manager : Lin, Chi-Pin

Accounts supervisor :
Yang, Cheng-Feng

Proposal No. 2

Adoption of the Proposed Distribution of 2020 Earnings (Proposed by the Board of Directors).

Explanatory Notes:

1. The Company's proposed distribution of 2020 earnings has been resolved in the Board of Directors meeting convened on March 16, 2021 (Please refer to Attachment IX of the handbook).
2. The proposed cash dividend is NT\$1.85 per share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman be authorized to resolve the ex-dividend date. The cash dividend distributed to each shareholder shall be calculated in whole numbers, and for fractional dividend amounts that are less than NT\$1, recognized other revenue.
3. In the event that, before the distribution record date, the number of the Company's outstanding shares changes due to an amendment to relevant laws or regulations, an adjustment by competent authorities, a buyback of shares, a cancelation of shares, an issuance of shares due to employee stock options or other factors, requiring the distribution rate to change or corrected, the Board of Directors shall be authorized to duly adjust and handle related matters.
4. Please proceed to adopt.

Resolution:

1. Ratify 94,784,131 shares (including exercised by way of electronic transmission 94,784,131 shares);
2. Oppose 7,122 shares (including exercised by way of electronic transmission 7,122 shares);
3. Abstain from voting 1,083,731 shares (including exercised by way of electronic transmission 409,653 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

Cayman Engley Industrial Co., Ltd.

DISTRIBUTION OF 2020 EARNINGS

	Unit: NT\$ thousands
Beginning retained earnings	\$ 524,595,737
Add: 2020 net profit after tax (note 1)	480,620,931
Add: Special reserve (note 2)	225,394,208
Less: Legal reserve (10%)	(29,301,253)
Less: Difference between equity and book value of the actual acquisition subsidiaries (note 2)	<u>(187,608,399)</u>
Distributable net profit	\$1,013,701,224
Less: Distributable items	
Dividend to shareholders-Cash dividend (NT\$1.85 per share)	<u>(218,312,950)</u>
Unappropriated retained earnings	<u>\$ 795,388,274</u>

Notes

Note 1: The amount of employees' compensation distributed was NT\$ 2,448,849 accounting for 0.50% of the Company's pre-tax profit (The Company's Articles of Incorporation stipulate that the amount of employees' compensation shall not be lower than 0.50% of the pre-tax profit, and not exceed 8.00% of the pre-tax profit).

The amount of directors' compensation distributed was NT\$ 6,700,000 accounting for 1.37% of the Company's pre-tax profit (The Company's Articles of Incorporation stipulate that the amount of employees' compensation shall not be lower than 0.50% of the pre-tax profit, and not exceed 3.00% of the pre-tax profit).

Note 2: The 2020 special reserve was made out of the debit balance of shareholder's equity-other equity items.

Note 3: The 2020 non-controlling interest is acquired, the difference between the equity and book value of the subsidiary company actually acquired or disposed of shall be adjusted to retain earnings.

Chairman: Lin, Chi-Pin

General Manager: Lin, Chi-Pin

Accounting Supervisor: Yang, Cheng-Feng

IV. Discussion Items

Discussion No. 1

Amendment to the “Regulations Governing Loaning of Funds”. (Proposed by the Board of Directors).

Explanatory Notes:

1. In order to conform to amendments to related commercial laws, the Company hereby proposes to amend the “Regulations Governing Loaning of Funds”.
2. The Company’s Comparison Table for the “Regulations Governing Loaning of Funds” Before and After Amendment is attached hereto (Please refer to Attachment X of the handbook).

Resolution:

1. Ratify 94,788,131 shares (including exercised by way of electronic transmission 94,788,131 shares);
2. Oppose 3,122 shares (including exercised by way of electronic transmission 3,122 shares);
3. Abstain from voting 1,083,731 shares (including exercised by way of electronic transmission 409,653 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.
Comparison Table for the “Regulations Governing Loaning of Funds”
Before and After Revision

Before amendment	After amendment	Description
<p>5.2 Total amount of funds loaned and the limits and loan terms of individual targets.</p> <p>5.2.1 The total amount of funds loaned to a company or firm with which the Company has business dealings shall not exceed 40% of the Company's current net worth; the amount of individual loans shall not exceed 40% of the Company's paid-in capital.</p> <p>5.2.2. If the Company lends funds to a company or firm that has a short-term financing need, the total amount of funds lent by the Company to others shall not exceed 40% of the Company's net worth. The amount of individual loans shall not exceed 40% of the Company's net worth for the period. The amount of financing refers to the cumulative balance of short-term financing funds. The amount of financing refers to the accumulated balance of short-term financing.</p> <p>5.2.3. Lending of funds between foreign companies in which the Group's ultimate parent company directly or</p>	<p>5.2 Total amount of funds loaned and the limits and loan terms of individual targets.</p> <p>5.2.1 The total amount of funds loaned to a company or firm with which the Company has business dealings shall not exceed 40% of the Company's current net worth; the amount of individual loans shall not exceed 40% of the Company's paid-in capital.</p> <p>5.2.2. If the Company lends funds to a company or firm that has a short-term financing need, the total amount of funds lent by the Company to others shall not exceed 40% of the Company's net worth. The amount of individual loans shall not exceed 40% of the Company's net worth for the period. The amount of financing refers to the cumulative balance of short-term financing funds. The amount of financing refers to the accumulated balance of short-term financing.</p> <p>5.2.3. Lending of funds between foreign companies in which the Group's ultimate parent company directly or</p>	<p>1. As a result of the change in the structure of Cayman Investment, Changchun Industrial and the following subsidiaries are no longer 100% owned by Cayman Engley, so in order to avoid confusion, we request to amend the wording.</p> <p>2. In accordance with Article 3.4 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the 40% cash requirement is not applied to foreign companies directly or indirectly held by the Company if “short-term financing is necessary”. The original checkmark 5.2.1 was used incorrectly, hence, the Company applied to amend the text.</p>

<p>indirectly holds 100% of the voting shares is not subject to the restrictions in 5.2.1. The total amount of Changchun Engley Automobile Industry Co., Ltd. and Changchun Engley Auto Parts Co., Ltd. are limited to no more than 100 percent of the net value of the Group's ultimate parent company and no more than 50 percent of the net value of the Group's ultimate parent company for individual objects. However, the total amount of the remaining subsidiaries shall not exceed 60 percent of the net value of the Group's ultimate parent company, and the amount of individual objects shall not exceed 30 percent of the net value of the Group's ultimate parent company. The terms of the loan are subject to the provisions of Section 5.2.4.</p> <p>5.2.4. The Company shall not lend funds for more than one year. In the case of a loan from the Company to a foreign company in which the Group's ultimate parent company directly or indirectly holds 100% of the voting shares, the term of the loan shall not exceed 2 years.</p>	<p>indirectly holds 100% of the voting shares is not subject to the restrictions in <u>5.2.2. The total amount of capital loaned to others shall not exceed 60% of the lending enterprise's net worth, and the individual target shall not exceed 30% of the lending enterprise's net worth.</u> The loan of funds and the term of the loan shall also be in accordance with 5.2.4. The terms of the loan are subject to the provisions of Section 5.2.4.</p> <p>5.2.4. The Company shall not lend funds for more than one year. In the case of a loan from the Company to a foreign company in which the Group's ultimate parent company directly or indirectly holds 100% of the voting shares, the term of the loan shall not exceed 2 years.</p>	
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Discussion No. 2

Amendment to the “Regulations Governing Marking of Endorsements and Guarantees”
(Proposed by the Board of Directors).

Explanatory Notes:

1. In order to conform to amendments to related commercial laws, the Company hereby proposes to amend the “Regulations Governing Marking of Endorsements and Guarantees”.
2. The Company’s Comparison Table for the “Regulations Governing Marking of Endorsements and Guarantees” Before and After Amendment is attached hereto (Please refer to Attachment XI of the handbook).

Resolution:

1. Ratify 93,272,088 shares (including exercised by way of electronic transmission 93,272,088 shares);
2. Oppose 1,519,165 shares (including exercised by way of electronic transmission 1,519,165 shares);
3. Abstain from voting 1,083,731 shares (including exercised by way of electronic transmission 409,653 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

Comparison Table for the “Regulations Governing Marking of Endorsements and Guarantees” Before and After Revision

Before amendment	After amendment	Description
6.2.1 The total amount of the Company’s and its subsidiaries’ endorsement and guarantee as a whole shall not exceed <u>50 %</u> of the Company's net worth for the period.	6.2.1 <u>The total amount of the Company’s endorsement and guarantee shall be limited to a maximum of 150% of the Company’s net worth</u> , and the total amount of the Company’s and its subsidiaries’ endorsement and guarantee as a whole shall not exceed <u>150 %</u> of the Company's net worth for the period.	The Company intends to relax the limit in consideration of the Group's capital requirements.
6.2.2. The amount of the Company’s and its subsidiaries’ endorsement and guarantee to a single enterprise shall be limited to no more than <u>20%</u> of the Company's net worth for the period. The amount authorized to be decided by the chairman of the board of directors shall not exceed 15% of the net worth of the Company (inclusive) and shall be subject to subsequent ratification by the most recent board of directors.	6.2.2. <u>The amount of the Company’s endorsement and guarantee to a single enterprise shall be limited to 50% of the Company’s net worth</u> , and the amount of the Company’s and its subsidiaries’ endorsement and guarantee to a single enterprise shall be limited to no more than <u>50%</u> of the Company's net worth for the period. The amount authorized to be decided by the chairman of the board of directors shall not exceed 15% of the net worth of the Company (inclusive) and shall be subject to subsequent ratification by the most recent board of directors.	

Discussion No. 3

Amendment to the “PROCEDURAL RULES OF GENERAL MEETINGS” (Proposed by the Board of Directors).

Explanatory Notes:

1. In order to conform to amendments to related commercial laws, the Company hereby proposes to amend the “PROCEDURAL RULES OF GENERAL MEETINGS”.
2. The Company’s Comparison Table for the “PROCEDURAL RULES OF GENERAL MEETINGS” Before and After Amendment is attached hereto (Please refer to Attachment XII of the handbook).

Resolution:

1. Ratify 94,788,131 shares (including exercised by way of electronic transmission 94,788,131 shares);
2. Oppose 3,122 shares (including exercised by way of electronic transmission 3,122 shares);
3. Abstain from voting 1,083,731 shares (including exercised by way of electronic transmission 409,653 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

**Comparison Table for the “PROCEDURAL RULES OF GENERAL MEETINGS”
Before and After Revision**

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 7 The Chairman and Agent</p> <p>Paragraph 6</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act; <u>Article 206-1 and Article 43-6 of the Securities and Exchange Act; Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities</u> shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p>	<p>Article 7 The Chairman and Agent</p> <p>Paragraph 6</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</u></p>	<p>1. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on June 3, 2020.</p> <p>2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 28, 2021.</p>
<p>Article 8</p> <p>The chairman shall call the general meeting to order at the time scheduled for the general meeting, <u>and announcement of the number of non voting shares and the number of shares present at the same meeting.</u> If the number of Shares represented by the attending Shareholders has not yet constituted the quorum (more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to</p>	<p>Article 8</p> <p>The chairman shall call the general meeting to order at the time scheduled for the general meeting. If the number of Shares represented by the attending Shareholders has not yet constituted the quorum (more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote) at the time scheduled for the general meeting, the chairman may postpone the time for the meeting. The</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 28, 2021.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>vote) at the time scheduled for the general meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at most, and the general meeting shall not be postponed for more than one hour in total. If after two postponements the number of Shares represented by the attending Shareholders has constituted more than one-third (1/3) of all Shares in issue present in person or by proxy and entitled to vote, a tentative resolution may be passed in accordance with the Applicable Listing Rules. Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairman may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with the Applicable Listing Rules.</p>	<p>postponements shall be limited to two times at most, and the general meeting shall not be postponed for more than one hour in total. If after two postponements the number of Shares represented by the attending Shareholders has constituted more than one-third (1/3) of all Shares in issue present in person or by proxy and entitled to vote, a tentative resolution may be passed in accordance with the Applicable Listing Rules. Before the end of such a meeting, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half (1/2) of all Shares in issue, the chairman may put the tentative resolution(s) already passed to the Shareholders' resolution again in accordance with the Applicable Listing Rules.</p>	
<p>Article 11 Proposal by Shareholder Paragraph 1 In accordance with the Applicable Listing Rules and subject to Article 52 of the Articles, any Shareholders who individually or collectively hold one percent (1%) or more of the total number of issued Shares of</p>	<p>Article 11 Proposal by Shareholder Paragraph 1 In accordance with the Applicable Listing Rules and subject to Article 52 of the Articles, any Shareholders who individually or collectively hold one percent (1%) or more of the total number of issued Shares of</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on June 3, 2020.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>the Company may submit to the Company a proposal for discussion at the annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>A shareholder proposal proposed for urging a company to promote public interests or fulfil its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. <u>A shareholder proposal proposed under Paragraph One for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</u> <u>The procedure shall be limited to one item in accordance with article 172-1 of the company Act, and no proposal containing more than one item will be included in the meeting</u></p>	<p>the Company may submit to the Company a proposal for discussion at the annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p>	

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<u>agenda.</u>		
<p>Article 14</p> <p>Paragraph 3</p> <p>Where directors are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results, including the list of elected directors and/or supervisors and numbers of shares voted for the election <u>and lose the election</u> of directors and/or supervisors, shall be announced at the same meeting.</p>	<p>Article 14</p> <p>Paragraph 3</p> <p>Where directors are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results, including the list of elected directors and/or supervisors and numbers of shares voted for the election of directors and/or supervisors, shall be announced at the same meeting.</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 28, 2021.</p>

V. Election Items

Election No. 1

Re-election of directors.

Explanatory Notes:

1. In accordance with Article 74 of the Company's Articles of Incorporation, the Company intends to re-elect all seven directors (including three independent directors) at the Annual General Meeting of Shareholders this year.
2. The new directors will take office from the date of election for a term of three years from June 17, 2021 to June 16, 2024.
3. In accordance with the relevant laws and regulations, directors and independent directors are nominated by candidates and the list of candidates has been reviewed and approved by the Board of Directors on March 16, 2021. Regarding list of Candidates for Directors and Independent Directors Nominated by the Board of Directors. (Please refer to Attachment XIII of the handbook)
4. Please conduct the election.

Election Results:

List of Directors and Independent Directors and their voting rights

	Name	Number of votes
Directors	Honghan Industrail Co.,Ltd. Representative: Lin, Chi-Pin	153,106,313
Directors	Top-Gain Enterprises Ltd. Representative: Chen, Jung-Juan	136,076,466
Directors	BroadLight Consultants Ltd. Representative: Lin, Chun-Pang	116,074,458
Directors	Tsai, Meng-Han	109,039,639
Independent Director	Liou, Cheng-Hwai	39,946,127
Independent Director	Hsu, Ching-Tao	39,846,124
Independent Director	Yeh, Chih-Ming	39,746,194

VI. Other Items

Other No. 1

Discussion to approve the lifting of non-competition restrictions for directors.

1. In accordance with 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.”
2. If the Company’s new directors and their representatives invest in or operate other companies with the same or similar scope of business as the Company and serve as directors or managers, the Company intends to seek the approval of the shareholders’ meeting to lift the prohibition on non-competition, provided that the Company's interests are not jeopardized.
3. Release of Directors from List of Non-Competition (Please refer to Attachment XIV of the handbook).

Resolution:

1. Ratify 94,635,187 shares (including exercised by way of electronic transmission 94,635,187 shares);
2. Oppose 158,131 shares (including exercised by way of electronic transmission 158,131 shares);
3. Abstain from voting 1,081,666 shares (including exercised by way of electronic transmission 407,588 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

Directors from List of Non-Competition

	Directors and Independent Director	Current Positions at the Company and Other Companies
1.	Honghan Industrail Co.,Ltd. Representative: Lin, Chi-Pin	1.Chairman, Changchun Engley Automobile Industry Co., Ltd. 2.Chairman, Changchun Engley Auto Parts Co., Ltd. 3.Exectuive Director, Foshan Engley Auto Part Co., Ltd. 4.Executive Director, Tianjin Engley Manufacturing Co., Ltd. 5.Vice Chairman, Constellium Engley (Changchun) Automotive Structures Co., Ltd. 6.Chairman, Changchun CECK Auto. Parts Co.,Ltd. 7.Executive Director&General Manager, Changchun Hongyun Cloud Computing Technology 8.Chairman, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 9.Director, Honghan Industrial Co., Ltd. 、Bright Success Inc.
2.	Top-Gain Enterprises Ltd. Representative: Chen, Jung-Juan	1.Director, Suzhou Engley Auto Part Co., Ltd. 2.Changchun Hongyun Cloud Computing Technology
3.	BroadLight Consultants Ltd. Representative: Lin, Chun-Pang	Deputy General Manager, Changchun Engley Automobile Industry Co., Ltd.
4.	Liou, Cheng-Hwai	Independent Director,HOTA INDUSTRIAL MFG. CO., LTD.

VII. Provisional motions

No provisional motions were proposed.

VIII. Closing

August 23th (Monday), 2021 at 09:30 a.m.