



CAYMAN ENGLE Y INDUSTRIAL CO., LTD.

The Annual Shareholders' Meeting in 2020

The Annual Shareholders' Meeting in 2020

Location: B1 in No. 20, Jianbao Street, Changhua City, Changhua County, 500
(Fort Hotel B1 Joy& Glory Hall)

Attendees:

1. Total shares represented by shareholders and proxy present 99,356,068 shares, which is 84.19% of the company's total outstanding shares, 118,007,000 shares.
2. Chairman: Top-Gain Enterprises Ltd. (Representative: Chen, Jung-Juan)
3. Director: Chen, Jung-Juan, 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. 2019 Business Report
2. Audit Committee's Review Report on the 2019 Financial Statements
3. Status of the 2019 Employees' and Directors' Compensations
4. Amendment to the "PROCEDURAL RULES OF BOARD MEETINGS"
5. Amendment to the "Ethical Corporate Management Best Practice Principles"
6. Amendment to the "Ethical Management Procedure and Conduct Guidelines"
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 2019 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

1. The Company's 2019 financial statements have been resolved in the Board of Directors meeting convened on March 27, 2020. The Audit Committee has reviewed the aforementioned Financial Statements along with the Business Report and have issued the review report.
2. The Company's 2019 Business Report, Independent Auditors' Report, and the Financial Statements are attached hereto.
3. Please proceed to adopt.

Resolution:

1. Ratify 95,667,979 shares (including exercised by way of electronic transmission 95,348,246 shares);
2. Oppose 1,051 shares (including exercised by way of electronic transmission 1,051 shares);
3. Abstain from voting 3,687,038 shares (including exercised by way of electronic transmission 9,102 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

2019 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 2019 was 21,444,000 units, which was decreased by 9.6% if compared with that of 2018. 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 2019, and the Company's strategies for future development. The 2019 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		2018	2019	Growth
Profit and Loss Analysis	Operating Revenue	21,855,386	22,239,873	1.76
	Gross Profit	4,242,876	3,744,203	(11.75)
	Net Income	1,123,400	644,193	(42.66)
Profitability	Return on Asset (%)	5.84	5.28	(9.59)
	Return on Equity (%)	11.68	9.75	(16.52)
	Operating Revenue to Paid-In Capital (%)	182.52	161.97	(1.28)
	Net Income to Paid-In Capital (%)	156.75	128.02	(12.49)
	Profit Margin (%)	6.64	4.35	(34.49)
	Basic Earnings Per Share (NT\$)	9.89	5.46	(44.79)
	Diluted Earnings Per Share (NT\$)	9.41	5.32	(43.46)

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

To respond to the continuous growth of the operation scale and meet the diversified demands of customers, Linde + Engley (Tianjin) Auto Parts Co., Ltd. will expand the plant for metal surface treatment, with an estimated capacity of 300,000 unit, which will be officially put into production in Q3, 2020.

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.

Driven by the carbon emission reduction policy, global new energy vehicles will maintain an average annual growth rate of more than 32%. With the inclusion of new energy vehicles in strategic emerging industries in China's 19th National Congress, since new energy vehicles have more battery weight and cruising range restrictions, the whole weight of the vehicle has become a more sensitive issue. Therefore, OEMs need to reduce the weight of components. The development of new energy vehicles has become the focus of today's auto industry. China's new energy auto industry is still the strategic direction that the country firmly supports. Based on the good relationship with our original cooperative customers, the Company will continue to develop new customers, develop new product applications, and serve customers with professional and timely manufacturing capabilities to ensure the Company's profit and create shareholder value.

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 2019 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: 2020 Annual Meeting of Shareholders, Cayman Engleigh Industrial Co., Ltd.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

Convener of the Audit Committee: Liou, Cheng-Hwai

March 27, 2020

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

Independent Auditors' Report

(2020)PWCR19003917

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, 2019 and 2018, 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, 2019 and 2018, 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", Jinguanzhengshen Zi 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; and 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 2018. 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 (5) of the consolidated financial report. Balance of inventory and allowance for inventory valuation of December 31st, 2019 are NT \$4,962,712 and NT \$309,958 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.

Yang, Ming-Ching

Certified Public Accountants

Liu, Mei-Lan

Previously Securities and Futures Commission, Ministry of
Finance

Approval Issuance No. (81) Taicaizheng (6) inancial
Supervisory Commission

Approval Issuance No. Jinguanzhengshen Zi No.
1070323061

March 27th, 2020

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st 2019 and December 31st, 2018

Unit : NTD(thousands)

		December 31 st 2019		December 31 st 2018		
Assets		NOTES	Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalent	6(1)	\$ 3,175,493	11	\$ 3,241,253	10
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	1,320	-
1150	Notes receivable, net	6(4)& 8	1,411,697	5	1,113,140	4
1170	Accounts receivable, net	6(4)&8	3,629,404	12	4,072,463	13
1180	Accounts receivable - related parties, net	7(3 三)	2,279	-	2,655	-
1200	Other receivables	7(3)	73,544	-	121,925	-
130X	Inventory	6(5)	4,652,754	15	5,498,409	18
1410	Prepayments	6(6)及&7(3)	814,179	3	1,093,139	3
1470	Other current assets	6(7)&8	1,039,754	3	1,091,951	4
11XX	Total current assets		14,799,104	49	16,236,255	52
Non current assets						
1517	Financial assets at fair value through other comprehensive profit or loss – non-current	6(三)	108,439	-	-	-
1550	Investment accounted for using equity method	6(8)	1,220,207	4	1,356,176	4
1600	Property, plant and equipment	6(9)&8	9,379,161	31	8,808,774	29
1755	Right-of-use assets	6(10)	1,332,216	4	-	-
1780	Intangible assets	6(11)	1,381,716	5	1,469,390	5
1840	Deferred income tax assets	6(30)	314,803	1	232,304	1
1900	Other non-current assets	6(12)&8	1,655,131	6	2,915,599	9
15XX	Total non-current assets		15,391,673	51	14,782,243	48
1XXX	Total assets		\$ 30,190,777	100	\$ 31,018,498	100

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Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st 2019 and December 31st, 2018

Unit : NTD(thousands)

Liabilities and equities		NOTES	December 31 st 2019		December 31 st 2018	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(14)	\$ 2,704,243	9	\$ 2,337,360	8
2130	Contract liabilities-current	6(24)	265,348	1	522,570	2
2150	Notes payable		1,702,585	6	1,586,937	5
2160	Notes payable –related parties	7(3)	101,579	1	114,506	-
2170	Accounts payable		3,636,629	12	3,726,869	12
2180	Accounts payable – related parties	7(3)	381,309	1	596,057	2
2200	Other payables	6(15)	1,244,928	4	1,916,100	6
2220	Other payables - related parties	7(3)	7,289	-	7,725	-
2230	Income tax payable		86,146	-	120,846	-
2280	Lease liabilities – current	7(3)	95,239	-	-	-
2300	Other current liabilities	6(16)(17)				
		(18)&7(3)	2,215,744	7	2,712,619	9
21XX	Total current liabilities		12,441,039	41	13,641,589	44
Non current liabilities						
2530	Bonds payables	6(16)	393,118	1	388,218	1
2540	Long-term borrowings	6(17)	3,313,657	11	2,902,863	9
2570	Deferred income liabilities	6(30)	445,284	2	454,159	2
2580	Lease liabilities — non-current	7(3)	294,799	1	-	-
2600	Other non-current liabilities	6(18)	218,846	1	232,196	1
25XX	Total non-current liabilities		4,665,704	16	3,977,436	13
2XXX	Total liabilities		17,106,743	57	17,619,025	57
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY						
3110	Common stock	6(20)	1,180,070	4	1,190,000	4
	Capital surplus	6(21)				
3200	Capital surplus		8,371,087	27	7,969,511	25
	Retained earnings	6(22)				
3310	Legal reserve		442,409	2	330,069	1
3320	Special reserve		1,179,819	4	898,592	3
3350	Unappropriated retained earnings		1,326,536	4	1,858,830	6
	Other interests					
3400	Other interests		(1,647,510)	(5)	(1,179,819)	(4)
3500	Treasury stock	6(20)	-	-	80,438)	-
31XX	Total equity attributable to shareholders of the		10,852,411	36	10,986,745	35
36XX	Non-controlling interests	6(23)	2,231,623	7	2,412,728	8
3XXX	Total equity		13,084,034	43	13,399,473	43
	contingent liabilities and unrecognized contractual commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and interests		\$ 30,190,777	100	\$ 31,018,498	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 Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income
January 1st to December 31st, 2019 and January 1st to December 31st, 2018 Unit : NTD (thousand)
(Except earnings per share, which is in NTD)

Items	NOTES	2019		2018	
		Amount	%	Amount	%
4000 Operating revenue	6(24)&7(3)	\$ 22,239,873	100	\$ 21,855,386	100
5000 Operating cost	6(5)&7(3)	(18,495,670)	(83)	(17,612,510)	(81)
5900 Operating margin		<u>3,744,203</u>	<u>17</u>	<u>4,242,876</u>	<u>19</u>
Operating expenses	6(28)&7(3)				
6100 Marketing expenses		(571,114)	(3)	(516,903)	(2)
6200 Administrative expenses		(1,033,701)	(5)	(1,024,448)	(5)
6300 Research and development expenses		(681,579)	(3)	(747,148)	(3)
6450 Expected credit impairment loss	12(2)	(24,303)	-	(1,977)	-
6000 Total operating expenses		<u>(2,310,697)</u>	<u>(11)</u>	<u>(2,290,476)</u>	<u>(10)</u>
6900 Operating income		<u>1,433,506</u>	<u>6</u>	<u>1,952,400</u>	<u>9</u>
Non-operating income and expenses					
7010 Other incomes	6(26)	114,657	-	116,337	-
7020 Other profit and loss	6(25)	(40,567)	-	(89,018)	-
7050 Finance cost	6(27)	(325,931)	(1)	(259,699)	(1)
7060 Share of profit and loss of associates and joint ventures recognized using equity method	6(8)	(48,630)	-	20,885	-
7000 Total non-operating income and expenses		<u>(300,471)</u>	<u>(1)</u>	<u>(211,495)</u>	<u>(1)</u>
7900 Income before tax		1,133,035	5	1,740,905	8
7950 Income expenses	6(30)	(165,015)	(1)	(289,578)	(1)
8200 Net profit of the year		<u>\$ 968,020</u>	<u>4</u>	<u>\$ 1,451,327</u>	<u>7</u>

(Continued)

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

January 1st to December 31st, 2019 and January 1st to December 31st, 2018 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(3)	\$ 3,150	-	\$-	-
8310	Total items not reclassified to profit or loss		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		(554,901)	(2)	(301,950)	(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(8)	2,626	-	(6,537)	-
8360	Total Subsequent items that may be reclassified to profit or loss		(552,275)	(2)	(308,487)	(2)
8300	Other comprehensive profit or loss (net)		(\$ 549,125)	(2)	(\$ 308,487)	(2)
8500	Total comprehensive profit or loss for the year		\$ 418,895	2	\$ 1,142,840	5
	Net profit (loss) attributable to:					
8610	Shareholders of the parent company		\$ 644,193	3	\$ 1,123,400	5
8620	Non-controlling interests		323,827	1	327,927	2
			\$ 968,020	4	\$ 1,451,327	7
	Comprehensive income/loss (net) attributable to:					
8710	Shareholders of the parent company		\$ 176,502	1	\$ 842,173	4
8720	Non controlling interests		242,393	1	300,667	1
	Total comprehensive income		\$ 418,895	2	\$ 1,142,840	5
	Earnings per share	6(31)				
9750	Total basic earnings per share		\$	5.46	\$	9.89
9850	Total diluted earnings per share		\$	5.32	\$	9.41

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												
Notes	Surplus			Retained earnings			Other interests		Treasury stock	Total	Non-controlling interests	Total equity
	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				
Jan. 1 st to Dec. 31 st , 2018												
Balance on Jan. 1 st 2018	\$ 1,100,000	\$ 6,991,694	\$ 61,842	\$ 196,082	\$ 807,592	\$ 1,389,417	(\$ 898,592)	\$ -	\$ -	\$ 9,648,035	\$ 1,813,574	\$ 11,461,609
Total consolidated profit and loss of the year	-	-	-	-	-	1,123,400	-	-	-	1,123,400	327,927	1,451,327
Other comprehensive profit and loss of the year	-	-	-	-	-	-	(281,227)	-	-	(281,227)	(27,260)	(308,487)
Total comprehensive profit and loss of the year	-	-	-	-	-	1,123,400	(281,227)	-	-	842,173	300,667	1,142,840
Appropriation and distribution of retained earnings in 2017	6(22)											
Legal surplus reserve		-	-	133,987	-	(133,987)	-	-	-	-	-	-
Special surplus reserve		-	-	-	91,000	(91,000)	-	-	-	-	-	-
Cash dividend		-	-	-	-	(429,000)	-	-	-	(429,000)	-	(429,000)
Seasoned equity offering	6(20)	90,000	1,233,000	-	-	-	-	-	-	1,323,000	-	1,323,000
Recognition of equity components upon issuance of convertible corporate bonds	6(16)	-	-	13,352	-	-	-	-	-	13,352	-	13,352
Changes in affiliates and joint ventures as recognized by equity method	6(8)	-	-	16,555	-	-	-	-	-	16,555	-	16,555
Changes in non-controlling interests	6(32)	-	-	110,668	-	-	-	-	-	110,668	442,857	553,525
Agreement to purchase additional equity of subsidiaries	6(21)	-	(457,600)	-	-	-	-	-	-	(457,600)	-	(457,600)
Bought back treasury stock	6(20)	-	-	-	-	-	-	-	(80,438)	(80,438)	-	(80,438)
Cash dividends of subsidiary shareholders	6(23)	-	-	-	-	-	-	-	-	-	(144,370)	(144,370)
Balance on Dec. 31 st 2018	\$ 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
Jan. 1 st to Dec. 31 st 2019												
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 consolidated profit and loss of the year.	-	-	-	-	-	-	(470,841)	3,150	-	(467,691)	(81,434)	(549,125)
Total consolidated profit and loss of the year	-	-	-	-	-	644,193	(470,841)	3,150	-	176,502	242,393	418,895
Appropriation and distribution of retained earnings in 2018	6(22)											
Legal reserves		-	-	112,340	-	(112,340)	-	-	-	-	-	-
Special reserves		-	-	-	281,227	(281,227)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(531,032)	-	-	-	(531,032)	-	(531,032)
Changes in affiliates and joint venture using equity method	6(8)	-	-	8,789	-	-	-	-	-	8,789	424	9,213
Non-controlling interests changes	6(23)	-	-	-	-	-	-	-	-	-	(268,655)	(268,655)
Agreement to purchase additional equity of subsidiaries.	6(21)	-	457,600	-	-	(209,321)	-	-	-	248,279	-	248,279
Bought back of treasury stock	6(20)	-	-	-	-	-	-	-	(36,872)	(36,872)	-	(36,872)
Treasury shares wrote off	6(20)	(9,930)	(64,813)	-	-	(42,567)	-	-	117,310	-	-	-
Cash dividend of subsidiary shareholders	6(23)	-	-	-	-	-	-	-	-	-	(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

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Please refer to the accompanying notes, an integral part of the consolidated financial statements ◦
General Manager: 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 2019 and Jan. 1st to Dec. 31st 2018

Unit : NTD(thousand)

	Notes	2019	2018
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Income before tax of the year		\$ 1,133,035	\$ 1,740,905
Items for adjustment			
Income and expense items			
Depreciation expense-Property, plant and equipment	6(9)(28)	1,076,641	888,347
Rent of land use right	6(12)	-	27,000
Depreciation expense-Right of use of assets	6(10)(28)	170,632	-
Amortization	6(11)(28)	120,046	113,479
Profit or loss evaluated of financial assets measured by fair value through profit or loss	6(2)	1,320	1,369
Recognized share of profit(loss) of subsidiaries or associates using equity method	6(8)	48,630	(20,885)
Loss of disposal of property, plant and equipment	6(25)	4,726	8,175
Property, plant and equipment impairment loss	6(25)	-	8,540
Loss of goodwill	6(11)(25)	11,338	-
Intangible asset disposal loss		124	-
Expected credit impairment loss	12(2)	24,303	1,977
Interest income	6(26)	(7,777)	(16,030)
Interest cost-financing	6(27)	304,294	259,699
Interest expense – lease liability	6(10)(27)	20,952	-
Interest expense – joint loan amortization	6(27)	685	-
Corporate debt redemption loss		8,475	-
Recognized income of deferred government grants	6(18)	(5,226)	(6,247)
Asset/liability changes related to operating activities			
Net changes of assets related to operating activities			
Notes receivable		(298,557)	(291,326)
Accounts receivable, net		418,756	(306,882)
Accounts receivable, related parties		376	2,956
Other receivables		(674)	(20,229)
Other receivables-related parties		(4,295)	840
Prepayments		278,960	61,555
Inventory		730,255	(1,426,953)
Other current assets		10,823	(89,328)
Other non-current assets		(40,337)	(23,021)
Net changes in liabilities related to operating activities			
Notes payable		115,648	340,405
Notes payable-related parties		(12,927)	492
Accounts payable		(90,240)	450,664
Accounts payable-related parties		(214,748)	125,689
Other payables		(24,134)	28,794
Other payables- related parties		(436)	(50,335)
Contract liabilities		(257,222)	(51,889)
Cash inflow generated from operations		3,523,446	1,757,761
Interests received		7,777	16,030
Interests paid		(314,281)	(244,822)
Income taxes paid		(259,113)	(362,342)
Net cash flow from operating activities		2,957,829	1,166,627

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2019 and Jan. 1st to Dec. 31st, 2018

Unit : NTD(thousand)

	Notes	2019	2018
<u>Cash flow from investment activities</u>			
Acquisition of property, plant and equipment	6(34)	(\$ 1,911,371)	(\$ 2,319,497)
Disposal of real estate, plant and equipment prices		21,847	21,755
Acquisition of intangible assets	6(11)	(67,491)	(66,399)
Refundable deposits decrease(increase)		63,948	(325,605)
Financial assets measured at fair value through other comprehensive income-non-current	7(3)	(106,271)	-
Dividends received from investments accounted for using equity method	6(8)	124,969	-
Net cash outflow from investment activities		(1,874,369)	(2,689,746)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Increase (repay) in short-term loans	6(35)	430,381	694,617
Decrease in lease payable	6(35)	-	(100,071)
Decrease in other borrowing	6(35)	(9,713)	(96,162)
Lease principal repayment	6(10)(35)	(145,357)	-
Issuance of convertible bonds	6(35)	-	400,000
Repayment of convertible bonds	6(35)	(623,600)	-
Borrow long-term loans	6(35)	2,465,052	2,120,537
Repayment of long-term loans	6(35)	(1,728,707)	(481,330)
Number of cash payments for new syndicate loans organizing fees	6(35)	(12,334)	-
Issuing non-controlling equity cash dividends	6(23)	(155,267)	(144,370)
Cash increase	6(20)	-	1,323,000
Distributed cash dividends	6(22)	(531,032)	(429,000)
Acquisition of the non-controlling price equity of subsidiaries	6(32)	(345,897)	-
Changes in non-controlling equity	6(32)	-	553,525
Bought back treasury stocks	6(20)	(36,872)	(80,438)
Net cash inflow (outflow) from financing activities		(693,346)	3,760,308
Exchange rate change		(455,874)	(158,784)
Net increase (decrease) in cash and cash equivalents		(65,760)	2,078,405
Cash and cash equivalents, beginning of year	6(1)	3,241,253	1,162,848
Cash and cash equivalents, end of year	6(1)	\$ 3,175,493	\$ 3,241,253

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 2019 Earnings (Proposed by the Board of Directors).

Explanatory Notes:

1. The Company's proposed distribution of 2019 earnings has been resolved in the Board of Directors meeting convened on March 27, 2020.
2. The proposed cash dividend is NT\$2.5 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, the Chairman shall be fully authorized to duly handle.
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 95,649,979 shares (including exercised by way of electronic transmission 95,330,246 shares);
2. Oppose 21,051 shares (including exercised by way of electronic transmission 21,051 shares);
3. Abstain from voting 3,685,038 shares (including exercised by way of electronic transmission 7,102 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.



Cayman Engley Industrial Co., Ltd.
DISTRIBUTION OF 2019 EARNINGS

	Unit: NT\$ thousands
Beginning retained earnings	\$ 934,230,568
Add: 2019 net profit after tax (note 1)	644,192,740
Less: Legal reserve (10%)	(39,230,455)
Less: Special reserve (note 2)	(467,691,423)
Less: Difference between equity and book value of the actual acquisition subsidiaries	(209,321,266)
Less: Cancellation of treasury shares	<u>(42,566,927)</u>
Distributable net profit	\$ 819,613,237
Les: Distributable items	
Dividend to shareholders-Cash dividend (NT\$2.5 per share)	<u>(295,017,500)</u>
Unappropriated retained earnings	<u>\$ 524,595,737</u>

Notes

Note 1: The amount of employees' compensation distributed was NT\$3,277,348, 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\$8,000,000, accounting for 1.22% 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 2018 special reserve was made out of the debit balance of shareholder's equity-other equity items.

Chairman: Lin, Chi-Pin

General Manager: Lin, Chi-Pin

Accounting Supervisor: Yang, Cheng-Feng

IV. Discussion Items

Discussion No. 1

Amendment to the Company's Articles of Association (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 “Articles of Association”.
2. The Company’s Comparison Table for the “Articles of Association” Before and After Amendment is attached hereto.

Resolution:

1. Ratify 95,667,979 shares (including exercised by way of electronic transmission 95,348,246 shares);
2. Oppose 1,051 shares (including exercised by way of electronic transmission 1,051 shares);
3. Abstain from voting 3,687,038 shares (including exercised by way of electronic transmission 9,102 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.

**Comparison Table for the “ The Companies Law(As Amended) Company Limited by Shares Amended and Restated Memorandum and Articles Of Association Of Cayman Engleigh Industrial Co., LTD.”
Before and After Revision**

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 1</p> <p><u>Paragraph 2</u></p> <p>"Acquisition" refers to an act wherein a company acquiring shares, business or assets of another company in exchange for shares, cash or other assets;</p>		<p>1. This Paragraph is newly added .</p> <p>2. AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>
<p>Article 12</p> <p><u>Subject to Article 12A, the</u> Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.</p>	<p>Article 12</p> <p>The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.</p>	<p>AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>
<p><u>Article 12A</u></p> <p><u>If a subscriber fails to pay any call or instalment of call with respect of any Shares on the day fixed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on the subscriber requiring payment of such call or instalment of call as is unpaid, together with any interest which may have accrued, within a period of not less than 1 month from the date of the notice given by the Directors. The notice shall name a further day (not earlier than the expiration of</u></p>		<p>1. This Article is newly added .</p> <p>2. AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p><u>aforesaid one month or longer period from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time fixed the Shares in respect of which the call was made will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a determination of the Directors to that effect. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his</u></p>		

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p><u>liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Under the aforesaid circumstances, compensation for loss or damage, if any, may still be claimed against such defaulting Shareholder.</u></p>		
<p>Article 32 The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:</p> <p>(a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(b) transfer the whole or any material part of its business or assets;</p> <p>(c) take over the transfer of</p>	<p>Article 32 The Company may also by either a Supermajority Resolution Type A or the Supermajority Resolution Type B:</p> <p>(a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(b) transfer the whole or any material part of its business or assets;</p> <p>(c) take over the transfer of</p>	<p>AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules;</p> <p>(e) grant waiver to the Director's engaging in any business within the scope of the Company's business;</p> <p>(f) issue restricted shares for employees pursuant to Article 17B;</p> <p>(g) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B; <u>and</u></p> <p>(h) <u>share swap.</u></p>	<p>another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(d) effect any Spin-off of the Company in accordance with the Applicable Listing Rules;</p> <p>(e) grant waiver to the Director's engaging in any business within the scope of the Company's business;</p> <p>(f) issue restricted shares for employees pursuant to Article 17B; <u>and</u></p> <p>(g) distribute part or all of its dividends or bonus by way of issuance of new Shares, for the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 129 shall not require the approval of a Supermajority Resolution Type A or a Supermajority Resolution Type B.</p>	

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 34</p> <p>Paragraph 2</p> <p>Subject to the Law, in the event any part of the Company's business is Spun Off or involved in any Merger, <u>Acquisition or share swap</u> with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares <u>in writing</u> at the then prevailing fair price within twenty (20) days after the date of the resolution <u>and specify the price of the Shares to be repurchased.</u></p> <p><u>For the purpose of this Article 34, if the Company and any Shareholder reach an agreement about the price of the Shares to be repurchased by the Company, the Company shall pay for such agreed purchase price of Shares to be repurchased within ninety (90) days from the date of passing of the resolution by general meeting. In case no agreement as to the purchase price is reached, the Company shall pay the fair</u></p>	<p>Article 34</p> <p>Paragraph 2</p> <p>Subject to the Law, in the event any part of the Company's business is Spun Off or involved in any Merger with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to purchase all of his Shares at the then prevailing fair price within twenty (20) days after the date <u>of</u> the resolution. <u>In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date <u>of</u> the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal</u></p>	<p>AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p><u>price as determined by the Company to such Shareholder within ninety (90) days from the date on which the resolution was adopted. If the Company fails to pay the agreed purchase price, the Company shall be deemed to agree to the price as requested by the Shareholder.</u></p> <p><u>For the Shareholder who requests the Company to purchase all of his Shares in accordance with the second paragraph, in the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date on which the resolution was adopted, the Company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within thirty (30) days after such sixty-day period, and Taiwan Taipei District Court has the jurisdiction.</u></p>	<p><u>price.</u></p>	
<p>Article 50</p> <p>The following matters <u>and their respective material contents</u> shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; material contents of such matters may be uploaded onto the website designated by the</p>	<p>Article 50</p> <p>The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEx or the Company with the address of</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>TWSE, TPEx or the Company with the address of website indicated in the notice:</p> <p>(a) election or discharge of Directors or supervisors (if any);</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) reduction in share capital of the Company;</p> <p>(d) application for de-registration as a public company;</p> <p>(e) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;</p> <p>(f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(g) the transfer of the whole or any material part of its business or assets;</p> <p>(h) the takeover of another's whole business or assets, which will have a material effect on the business operation of</p>	<p>website indicated in the notice:</p> <p>(a) election or discharge of Directors or supervisors (if any);</p> <p>(b) amendments to the Memorandum of Association and/or these Articles;</p> <p>(c) reduction in share capital of the Company;</p> <p>(d) application for de-registration as a public company;</p> <p>(e) dissolution, share swap (as defined in the Applicable Listing Rules), Merger or Spin-off of the Company;</p> <p>(f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(g) the transfer of the whole or any material part of its business or assets;</p> <p>(h) the takeover of another's whole business or assets, which will have a material effect on the business operation of the Company;</p> <p>(i) the private placement</p>	

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>the Company;</p> <p>(i) the private placement of equity-linked securities;</p> <p>(j) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(k) distribution of part or all of its dividends or bonus by way of issuance of new Shares;</p> <p>(l) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;</p> <p>(m) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by</p>	<p>of equity-linked securities;</p> <p>(j) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(k) distribution of part or all of its dividends or bonus by way of issuance of new Shares;</p> <p>(l) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;</p> <p>(m) subject to the Law, distribution of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them;</p> <p>(n) the transfer of Treasury</p>	

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>each of them;</p> <p>(n) the transfer of Treasury Shares to its employees by the Company; and</p> <p>(o) the Delisting.</p> <p>Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.</p>	<p>Shares to its employees by the Company; and</p> <p>(o) the Delisting.</p> <p>Subject to the Law and these Articles, the Shareholders may propose matters in a general meeting to the extent of matters as described in the agenda of such meeting.</p>	
<p>Article 107</p> <p>Paragraph 4</p> <p>Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting; <u>before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that the relevant</u></p>	<p>Article 107</p> <p>Paragraph 4</p> <p>Notwithstanding the first paragraph of this Article, if any Director has personal interest (whether directly or indirectly) in matters on agenda for the Board meeting, such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting.</p>	<p>AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<u>resolution shall be approved or dissented.</u>		
<p>Article 119A</p> <p>Before the Company holds a meeting of the Board of Directors to adopt any resolution of Merger, Acquisition, Spin-off or share swap, the Audit Committee shall seek opinion from an independent expert in order to review the fairness and reasonableness of the plan and transaction of the Merger, Acquisition, Spin-off or share swap, including but not limited to the justification of share swap ratio or a distribution by cash or otherwise, and the review result shall be submitted to the Board of Directors and Shareholders in the general meeting (provided, however, that if the Law does not require the Shareholders' approval on the said transactions, the expert opinion and review result do not have to be submitted to the general meeting); and the review result and the expert opinion shall be provided to the Shareholders together with the notice of general meeting. If the Law does not require the Shareholders' approval on the said transactions, the Board of</p>		<ol style="list-style-type: none"> 1. This Article is newly added . 2. AOA checklist published by Taiwan Stock Exchange on Dec 25, 2019.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Directors shall report the transactions in the next general meeting following the transactions.</p> <p>For the documents required to be given to the Shareholders in the preceding paragraph, if the Company announces the same content as in those documents on a website designated by the Taiwan competent authorities and those documents are available at the venue of the general meeting for Shareholders' inspection, those documents shall be deemed as having been given to Shareholders.</p>		

Discussion No. 2

Amendment to the “CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. 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 “CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. PROCEDURAL RULES OF GENERAL MEETINGS”.
2. The Company’s Comparison Table for the “CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. PROCEDURAL RULES OF GENERAL MEETINGS” Before and After Amendment is attached hereto.

Resolution:

1. Ratify 95,667,979 shares (including exercised by way of electronic transmission 95,348,246 shares);
2. Oppose 1,051 shares (including exercised by way of electronic transmission 1,051 shares);
3. Abstain from voting 3,687,038 shares (including exercised by way of electronic transmission 9,102 shares).
4. Resolved, that the above proposal be and hereby was approved as proposed.

CAYMAN ENGLELY INDUSTRIAL CO., LTD.
Comparison Table for the “CAYMAN ENGLELY INDUSTRIAL CO., LTD.
PROCEDURAL RULES OF GENERAL MEETINGS”
Before and After Revision

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 2 Paragraph 5 The Company shall deliver the meeting agenda, annual report, attendance ID, summary of speech form, voting ballot and other meeting information to Shareholders who attend a Shareholder's meeting. In case of election of director(s), the election ballot shall also be provided.</p>	<p>Article 2 Paragraph 5 The Company shall deliver the meeting agenda, annual report, attendance ID, summary of speech form, voting ballot and other meeting information to Shareholders who attend a Shareholder's meeting. In case of election of director(s) <u>and/or supervisor(s)</u>, the election ballot shall also be provided.</p>	<p>Revised according to the actual situation</p>
<p>Article 7 Paragraph 5 <u>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</u></p>		<ol style="list-style-type: none"> 1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
<p>Article 7 Paragraph 6 <u>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</u></p>		<ol style="list-style-type: none"> 1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<u>of the above matters may be raised by an extraordinary motion; 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>		
Article 7 Paragraph 7 <u>The reasons for convening a shareholders meeting have indicated the election of directors and the date on assumed office. After a meeting is adjourned, the date of taking office shall not be changed by an extraordinary motion.</u>		1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
Article 9 Paragraph 2 The agenda of general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. <u>The meeting shall proceed in the order set by the agenda.</u> Unless otherwise approved in the general meeting, the general meeting shall proceed in accordance with the agenda.	Article 9 Paragraph 2 The agenda of general meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise approved in the general meeting, the general meeting shall proceed in accordance with the agenda.	XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
Article 16 Paragraph 3 The meeting minutes must	Article 9 Paragraph 3 The meeting minutes must	XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>faithfully record the meetings date (year, month, day), place, Chairmans name, resolution method, summary of proceedings, and results of resolutions. <u>The election of directors shall be held, the number of votes obtained by each candidate shall be disclosed.</u> Meeting minutes shall be kept during the existence of the Company.</p>	<p>faithfully record the meetings date (year, month, day), place, Chairmans name, resolution method, summary of proceedings, and results of resolutions. Meeting minutes shall be kept during the existence of the Company.</p>	<p>Exchange on Jan 2, 2020.</p>
<p>Article 9 Paragraph 4 Unless otherwise resolved at the general meeting or in accordance with Article 17 of the Rules, the chairman cannot announce adjournment of the general meeting before all items <u>(including extraordinary motions)</u> listed in the agenda are resolved. In case that the chairman adjourns the general meeting in violation of the Rules, other members of the Board of Directors shall promptly assist the attending Shareholders to elect, by a majority of votes represented by attending Shareholders present in the general meeting, another person to serve as chairman to continue the general meeting in accordance with due procedures.</p>	<p>Article 9 Paragraph 4 Unless otherwise resolved at the general meeting or in accordance with Article 17 of the Rules, the chairman cannot announce adjournment of the general meeting before all items listed in the agenda are resolved; <u>after a meeting is adjourned, Shareholders shall not elect a chairman and resume the meeting at the same or another venue.</u> In case that the chairman adjourns the general meeting in violation of the Rules, other members of the Board of Directors shall promptly assist the attending Shareholders to elect, by a majority of votes represented by attending Shareholders present in the general meeting, another person to serve as chairman to continue the general meeting in</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
	accordance with due procedures.	
<p>Article 9 Paragraph 5</p> <p>The chairman shall provide sufficient time for the explanation and discussion of all items <u>(including extraordinary motions)</u> listed in the agenda and amendments submitted by Shareholders. The chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and the discussion and amendments proposed complied with the Applicable Listing Rules and the Articles, <u>and arrange adequate voting time.</u></p>	<p>Article 9 Paragraph 4</p> <p>The chairman shall provide sufficient time for the explanation and discussion of all items listed in the agenda and amendments submitted by Shareholders. The chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and the discussion and amendments proposed complied with the Applicable Listing Rules and the Articles.</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>
<p>Article 11 Paragraph 1</p> <p>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 the Company may submit to the Company a proposal for discussion at the annual general meeting. <u>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,</u></p>	<p>Article 11</p> <p>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 the Company may submit to the Company a proposal for discussion at the annual general meeting.</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<u>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>		
Article 11 Paragraph 2 <u>Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</u>		1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
Article 11 Paragraph 3 Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.		1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
Article 11 Paragraph 4 Prior to the date for issuance		1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>		<p>Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>
<p>Article 13 Paragraph 1 Subject to the Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person represented by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder, <u>except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u></p>	<p>Article 13 Paragraph 1 Subject to the Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person represented by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>
<p>Article 13 Paragraph 2 <u>When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights</u></p>		<ol style="list-style-type: none"> 1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p>		
<p>Article 13 Paragraph 3 A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p>		<ol style="list-style-type: none"> 1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p>Article 13 Paragraph 4</p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p>		<ol style="list-style-type: none"> 1. This Paragraph is newly added . 2. XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.
<p>Article 13 Paragraph 5</p> <p><u>At the time of a vote, for each proposal, the chair or a person designated by the</u></p>	<p>Article 13 Paragraph 2</p> <p>Shareholders shall vote on each of the proposals presented at the meeting and</p>	<p>XXX Co., Ltd. Rules of Procedure for Shareholders Meetings by Taiwan Stock Exchange on Jan 2, 2020.</p>

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<p><u>chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</u></p> <p>Shareholders shall vote on each of the proposals presented at the meeting and the result of the vote indicating Shareholders consent, objection and abstaining from voting shall be entered at the Market Observation Post System on the day immediately following the convention of the Shareholders meeting.</p>	<p>the result of the vote indicating Shareholders consent, objection and abstaining from voting shall be entered at the Market Observation Post System on the day immediately following the convention of the Shareholders meeting.</p>	
<p>Article 14 Paragraph 3 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>Article 14 Paragraph 3 Where directors <u>and/or supervisors</u> 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>Revised according to the actual situation</p>

V. Provisional motion

No provisional motions were proposed.

VI. Closing

June 19th (Friday), 2020 at 09:30 a.m.