

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail

Stock Code: 1598



Dyaco International Inc.

Handbook for the 2020 Annual General Meeting of Shareholders (Translation)

Date : May 28, 2020

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County

(Meeting Center at Dyaco's Headquarters, Chuansing Industrial
Park)

Dyaco International Inc.(the “Company”)
Handbook for the 2020 Annual General Meeting of Shareholders (the “Handbook”)
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Dyaco International Inc.

Annual Shareholders' Meeting Procedure for 2020

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Dyaco International Inc.
2020 Shareholders' Meeting Agenda

Date : 9:00 a.m., May 28, 2020 (Thursday)

Location : No.1, Gong 1st Rd., Hemei Township, Changhua County (Meeting Center at Dyaco's Headquarters, Chuansing Industrial Park)

I. Chairperson to announce the commencement of meeting

II. Chairperson's address

III. Report matters

1. To report the business of 2019.
2. To report the Audit Committee's Review Report of 2019.
3. To report 2019 employees' profits sharing bonus and directors' compensation.
4. To report the proposal for cash distribution of 2019 earnings.
5. To report the implementation of share repurchase.
6. Amendment to the "Procedures for Ethical Management and Guidelines for Conduct".

IV. Ratifications matters

1. To accept 2019 Business Report and Financial Statements.
2. To approve the proposal for distribution of 2019 earnings.

V. Discussion matters

1. Amendment to the "Articles of Incorporation".
2. Amendment to the "Rules of Procedure for Shareholders Meetings".

VI. Election matters

Election of the 11th Directors

VII. Other matters

To approve the lifting of non-competition restrictions on new directors.

VIII. Motions

IX. Adjournment

Report matters

Report Matter 1

- Subject : To report the business of 2019.
- Description : 1. 2019 Business Report can be found on page 7 of Chinese version.
2. Please review.

Report Matter 2

- Subject : To report the Audit Committee's Review Report of 2019.
- Description : 1. 2019 Audit Committee's Review Report can be found on page 12 of Chinese version.
2. Please review.

Report Matter 3

- Subject : To report 2019 employees' profit sharing bonus and directors' compensation.
- Description : 1. The Company's 2019 after-tax net profit amounted to NT\$ 245,052,973. It is expected that the amount of remuneration distributed to employees and directors at 1% and 0.5% in cash shall be NT\$ 2,450,530 and NT\$ 1,225,264, respectively, after the revision of Article 24 of the Company's Articles of Incorporation,
2. Please review.

Report Matter 4

- Subject : To report the proposal for cash distribution of 2019 earnings.
- Description : 1. It is processed in accordance with Articles of Incorporation of the Company and Article of Company Act. Earnings Distribution Table for 2019 can be found on page 13 of Chinese version and was approved at the meeting of Board of Directors on March 27, 2020.
2. To proposed distribution is NT\$124,321,065, cash dividend is NT\$1.15004667 per share. The cash dividends will be distributed to each shareholder and be rounded down to the nearest dollar. The amounts under one dollar due to the rounding off are summed and recognized as Company's other income.
3. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Director be authorized to resolve the ex-dividend date, ex-rights date and other relevant issues.

4. Should the total amount of common shares outstanding change for any reason, the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Chairman of Board of Directors of be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of earnings resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.
5. Please review.

Report Matter 5

Subject : To report the implementation of share repurchase.

- Description :
1. The company implements the first to third treasury stock buyback plan and the Regulations Governing Share Repurchase comparison of current and amended can be found on page 14 of Chinese version.
 2. Implementation of the treasury stock buyback plan can be found on page 15 of Chinese version
 3. Please review.

Report Matter 6

Subject : Amendment to the “Procedures for Ethical Management and Guidelines for Conduct”.

- Description :
1. In order to comply with the changes to the law and operating, it is proposed to amend certain provisions of the “Procedures for Ethical Management and Guidelines for Conduct”.
 2. Comparison of Current and amended “Procedures for Ethical Management and Guidelines for Conduct” can be found on page 16 of Chinese version.
 3. Please review.

Ratifications matters

Ratifications matter 1 (Proposed by the Board of Directors)

Subject : To accept 2019 Business Report and Financial Statements.

Description :

1. The above consolidated financial statements including balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and business report passed by resolution of the board of directions and submitted for supervisor review. The financial statements were audited by independent auditors Ms. CHEN, Chao-Mei and Mr. Hsieh Chien-Hsin of Deloitte Taiwan.
2. 2019 Business Report can be found on page 7 of Chinese version.
3. Standalone and Consolidated Independent Certified Public Accountant Report for the year of 2019 can be found on page 20 of Chinese version.
4. Standalone and Consolidated Financial Statement for the year of 2019 can be found on page 30 of Chinese version.
5. Please accept the aforementioned.

Resolution:

Ratifications matter 2 (Proposed by the Board of Directors)

Subject : To approve the proposal for distribution of 2019 earnings.

Description :

1. The Company's 2019 audited after-tax profit amounted to NT\$ 189,000,289. The amount of NT\$ 421,746 for remeasurement of defined benefit obligation. The amount of NT\$ 18,941,304 for legal purposes and NT\$ 26,688,608 for special reserve have been set aside which is with the undistributed surplus of NT\$ 71,652,577 in the previous year. A total of NT\$ 215,435,700 is available for distribution and to proposed distribution is NT\$124,321,065.
2. The Earnings Distribution Table for 2019 can be found on page 13 of Chinese version and was approved at the meeting of Board of Directors on March 27, 2020.
3. Please accept the aforementioned.

Resolution:

Discussion matters

Discussion matter 1 (Proposed by the Board of Directors)

Subject : Amendment to the “Articles of Incorporation”.

Description : 1. In order to comply with the changes to the law and operating, it is proposed to amend certain provisions of the Procedures for Articles of Incorporation.
2. Comparison of Current and amended Procedures for Articles of Incorporation can be found on page 44 of Chinese version.
3. Please discuss.

Resolution:

Discussion matter 2 (Proposed by the Board of Directors)

Subject : Amendment to the “Rules of Procedure for Shareholders Meetings”.

Description : 1. In order to comply with the changes to the law and operating, it is proposed to amend certain provisions of the “Rules of Procedure for Shareholders Meetings”.
2. Comparison of Current and amended “Rules of Procedure for Shareholders Meetings” can be found on page 46 of Chinese version.
3. Please discuss.

Resolution:

Election matters

Election matter 1 (Proposed by the Board of Directors)

Subject : Election of the 11th Directors.

Description : 1. The Company’s 10th Board of Directors has its tenure expired on May 25, 2020. Following the provision of Articles of Association of the Company, there shall be 7 directors elected in this election (incl. 3 independent directors). They are for a term of 3 years, between May 28 2020 and May 27, 2023.
2. According to Article 192-1 of Company Act, directors and independent directors are elected using a nomination system. All nominated candidates had been reviewed and approved at the meeting of Board of Directors on March 27, 2020.
3. List of Candidate for Directors can be found on page 49 of Chinese version.
4. Please Vote.

Election Result:

Other Matters

Other matter 1 (Proposed by the Board of Directors)

Subject : To approve the lifting of non-competition restrictions on new directors.

Description :

1. According to Article 209 of 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. For the newly elected independent director who does anything stipulated, without prejudicing the interests of the Company, the release of the prohibition on such director from participation in competitive business is proposed for approval. The list of the lifting of non-competition restrictions on new directors can be found on page 51 of Chinese version.
3. The proposal is submitted for discussion.

Resolution :

Motions

Adjournment