

Stock Code : 1309

**Taita Chemical Company, Limited**

**Handbook for the**

**2023 Annual General Meeting**

**of Shareholders**

**Date : May 30, 2023**

**Location : 5F., No.2, Yuanshan Rd., Niasong Dist.,  
Kaohsiung City, Taiwan (R.O.C.)**

**The Kaohsiung Grand Hotel, Po Shou Hall  
(Physical shareholders meeting)**

# Table of Contents

Meeting Procedure.....	2
Meeting Agenda.....	3
Report Items.....	7
Matters for Ratification and Discussion.....	9
Extemporaneous Motions.....	59

## Appendices :

1、Parliamentary Rules for Shareholders' Meetings(Before Amendment).....	60
2、Articles of Incorporation(Before Amendment).....	69
3、Rules for Election of Directors (Before Amendment).....	75
4、Stake of Directors.....	78
5、The Impact of Stock Dividend Issuance on Business Performance, EPS and ROE.....	79
6、Description of the Handling of Stockholder Proposals.....	81

**Taita Chemical Company, Limited**  
**Procedure of the 2023 Annual General Meeting**  
**of Shareholders**

1. Announcement of the Commencement of the Meeting
2. Chairperson Takes Chair
3. Opening Speech of the Chairperson
4. Report Items
5. Matters for Ratification and Discussion
6. Extemporaneous Motions
7. Adjournment

# **Taita Chemical Company, Limited**

## **Year 2023**

### **Agenda of Annual General Meeting of Shareholders**

Date : May 30, 2023 (Tuesday) PM 01:00

Location : 5F., No.2, Yuanshan Rd., Niasong Dist., Kaohsiung City,  
Taiwan (R.O.C.)

The Kaohsiung Grand Hotel, Po Shou Hall  
(Physical shareholders meeting)

#### **1. Report Items :**

- (1) To report 2022 operating results.
- (2) To report Audit Committee's Review Reports of 2022  
Financial Statement.
- (3) To report 2022 remuneration of directors and employees.

#### **2. Matters for Ratification and Discussion :**

- (1) To ratify 2022 Business Report and Financial Statements.
- (2) To ratify 2022 Earnings Distribution.
- (3) To approve the amendment to the Articles of Incorporation.
- (4) To approve the amendment to the Parliamentary Rules for  
Shareholders' Meetings.
- (5) To approve the amendment to the Rules for Election of  
Directors.
- (6) To approve the permission of directors for competitive actions.

#### **3. Extemporary Motions :**

#### **4. Adjournment**

## **I. Report Items :**

### **Report 1**

To report 2022 operating results.

## **Taita Chemical Company, Limited.**

### **2022 Business Report**

Our 2022 net revenue reduced by about 18% at NT\$2.856 billion from NT\$15.726 billion in 2021 to NT\$12.87 billion, with a budget accomplishment rate of 99%, net income before tax of NT\$550 million, net income after tax of NT\$412 million, and EPS at NT\$1.04.

In 2022, unfavorable factors such as the lockdown for pandemic in China, Russia-Ukraine war, inflation and rate hikes affected the 2022 operations, and the stagnated demand for consumer goods and the price fall in the second half of the year reduced the overall sales of ABS by 29,000 MT, or about 24%, over the previous year. The sales of EPS in Qianzhen Plant increased by 1,000 MT due to the active development of emerging markets in Africa and Central and South America. The production of GPS in Qianzhen Plant decreased by about 1,500 MT due to the blackout on March 3. In response to the sharp decline in the market in China, the sales strategy for markets outside China and Hong Kong resulted in the increased proportion of sales of such areas from 34% to 72%, but the overall sales volume still decreased by 2,200 MT, or about 3%, over the previous year.

The sales performance of individual product ranges is as follows:

The ABS production and sales volumes were 91,000MT and 92,000MT, respectively, with a loss of NT\$113 million.

The GPS/IPS production and sales volumes were 93,000MT, with

a profit of NT\$274 million.

The EPS production and sales volumes were 60,000MT, with a profit of NT\$105 million. The combined ABS/PS production and sales volumes were 244,000MT and 245,000MT respectively, with a budget achievement percentage of 86%. Revenues decreased by NT\$2.86 billion over last year to NT\$12.334 billion, with an operating income of NT\$266 million.

The production and sales (combined with imported rockwool) volumes of glass wool products were 9,100MT and 12,100MT respectively, with a revenue of NT\$522 million and profit of NT\$45 million.

The sales volume of flexographic products was 14,000JIG, and the revenue was NT\$14 million, for a loss of NT\$6 million.

The total operating profit of the abovementioned products was NT\$305 million.

For non-operating items, in response to regulatory changes, the plant in Chung-Shan modified the overall safety control of the DCS/SIS processes, which affected the production output by 15,000 MT will take place from March to May. Due to factors such as lockdown for pandemic in China, Russia-Ukraine war, global inflation and competition from other plays in the same industry, the sales volume for the year was about 130,000 MT, a decrease of 18% over last year. The operating loss was about NT\$45 million, the non-operating interest income was NT\$17 million, the net loss was NT\$19 million, plus the other share of profit of associates accounted for using the equity method NT\$15 million, the total share of profit of associates accounted for

using the equity method were NT\$34 million. In addition, the net rental income was NT\$29 million, the dividend income was NT\$37 million, the foreign exchange gain was NT\$224 million, the evaluation loss of financial assets was NT\$18 million, and the other non-operating net income was NT\$4 million. The total non-operating income was NT\$242 million.

Looking ahead to 2023, a persistent cautious response is required to face the potential impact of Russia-Ukraine war, inflation, rate hikes, etc. Overall, besides implementing full production and full sales, we will focus on optimizing the customer portfolio and increasing the market growth of areas outside China and Hong Kong. These will include increasing the proportion of direct customers and those outside China and Hong Kong for ABS, boosting the proportion of customers outside China and Hong Kong for GPS, accomplishing full production and full sales of EPS. Additionally, we will maintain stock control over raw materials and finished products to prevent market fluctuation from lowering operational performance. In terms of technology, manufacturing, market, application, product, and investment, we will continue to assess and plan capacity improvement, process efficiency enhancement, and new product and application R&D in order to boost operations based on full capacity sales.

Chairman : Wu, Yih-Guei

President : Wu, Pei-Chi

Chief Accounting Office : Lin, Jin-Cai

## **Report Items :**

### **Report 2**

To report Audit Committee's Review Reports of 2022 Financial Statement.

## **Taita Chemical Company, Limited**

### **Audit Report**

This Audit Committee has audited the 2022 Business Report produced by the Board of Directors, the financial statements (including consolidated and individual financial statements) audited and certified by CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu of Deloitte Taiwan, and the proposal for profit distribution and found no nonconformity. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is presented for approval to AGM.

To

Taita Chemical Company, Limited 2023 Annual General Meeting of Shareholders

Audit Committee, Taita Chemical Company, Limited

Independent Director : Chen, Tyan-Wen

Independent Director : Way, Yung-Do

Independent Director : Lee, Kuo-Shiang

Independent Director : James Yuan

March 10, 2023



## **Report Items :**

### Report 3

To report 2022 remuneration of directors and employees.

Description : 1. Proceeded in accordance with related orders of the Ministry of Economic Affairs and Article 25 of the Articles of Incorporation of this Company.

2. The compensation for employees in 2022 will be distributed in cash at 1%, NT\$5,523,948, of the 2022 earnings, and no compensation will be distributed to directors.

## **II. Matters for Ratification and Discussion :**

### Proposal 1

Proposed by the Board

To ratify 2022 Business Report and Financial Statements.

Description: 1. The 2022 financial statements (including consolidated and individual financial statements) approved by the Board on March 3, 2023 are audited by CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu of Deloitte Taiwan and the Audit Committee for the record.

2. Please refer to p.4-6 of this Handbook for the 2022 Business Report and p.10-31 for the CPA Audit Report and the financial statements.

Resolution :

## **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors and Shareholders

Taita Chemical Co., Ltd.

### **Opinion**

The consolidated balance sheet of Taita Chemical Co., Ltd. and its subsidiaries as of December 31, 2021 and 2022, and the consolidated comprehensive profit and loss statement, consolidated statement of changes in equity, consolidated cash flow statement, and notes to the consolidated financial statements (including the summary of material accounting policies) for January 1 to December 31, 2021 and 2022, have been audited and completed by the certified public accountant/CPA.

In the opinion of the CPA, the Consolidated Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have the fair-present consolidated financial position of Taita Chemical Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022 and 2021.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. The responsibilities of the CPA under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Taita Chemical Co., Ltd. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in the professional judgment of the CPA, were of most significance in our audit of the Consolidated Financial Statements of Taita Chemical Co., Ltd. and its subsidiaries in 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and The CPA do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of the Taita Chemical Co., Ltd. and its subsidiaries in 2022 are stated as follows:

The authenticity of the Recognition of Sales Revenue from Clients of Specific Products

Due to the market demand and the fluctuation of international crude oil prices, the sales revenue of the Taita Chemical Co., Ltd. and its subsidiaries declined in 2022 compared with that in 2021. However, the sales revenue of specific products in 2022 showed a growing trend, and the sales revenue from some clients has increased significantly in great amounts. Whether these sales revenues are recognized when the contractual obligations are actually met will have a significant impact on the financial statements and is therefore the key audit matter for the year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4 and 24 of the financial statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

1. We understood and test the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
2. We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
3. We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

**Other Matters**

The CPA has also audited the Parent Company Only Financial Statements of the Taita Chemical Co., Ltd. for 2021 and 2022, on which the CPA has issued an unqualified opinion about the audit report.

**The responsibilities of the management and governing body for the Consolidated Financial Statements**

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing fair-presentation Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law, and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the financial statements, the management is responsible for assessing the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the management either intends to liquidate the Taita Chemical Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternatives but to do so.

The governing body including the audit committee is responsible for overseeing the financial reporting process of the Taita Chemical Co., Ltd. and its subsidiaries.

### **The CPA's Responsibilities for the Audit of the Consolidated Financial Statements**

The objectives of the CPA are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement of the consolidated financial statements when it exists. Misstatements may arise from any fraud or error. If the misstatements that exist individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements, are considered material.

As part of an audit 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 have also completed the following jobs:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Taita Chemical Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern. If the CPA concludes that a material uncertainty exists, the CPA is required to draw attention in our audit report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Taita Chemical Co., Ltd. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence of the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. The CPA is responsible for the guidance, supervision and implementation of the audit cases, and is responsible for forming the audit opinions of the Company.

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

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

From the matters communicated with the governing body, The CPA determines the key audit matters of the Consolidated Financial Statements in 2022 of the Taita Chemical Co., Ltd. and its subsidiaries. The CPA describes these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the CPA determines that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu, Cheng-Chun

CPA Huang, Hsiu-Chun

Financial Regulatory Commission  
(FRC) Approval Number

Financial Regulatory Commission  
(FRC) certificate No. 0930160267

Securities and Futures Commission  
Approval Number

Securities and Futures Commission  
certificate No. 0920123784

March 10, 2023

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 2,662,088	29	\$ 2,598,283	24
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	415,053	4	695,975	7
1140	Financial assets at amortized cost - current (Notes 4, 9 and 31)	5,000	-	3,809	-
1150	Notes receivable (Notes 4 and 10)	157,026	2	255,365	2
1170	Accounts receivable (Notes 4, 5 and 10)	1,485,302	16	2,213,149	21
1200	Other receivables (Notes 4 and 10)	87,821	1	112,786	1
1210	Other receivables from related parties (Notes 4, 10 and 30)	3,158	-	3,536	-
1220	The current assets of the income taxes (Notes 4 and 26)	9,538	-	-	-
130X	Inventories (Notes 4, 5 and 11)	951,018	10	1,185,759	11
1410	Prepayments and other current assets	<u>230,953</u>	<u>3</u>	<u>221,674</u>	<u>2</u>
11XX	Total current assets	<u>6,006,957</u>	<u>65</u>	<u>7,290,336</u>	<u>68</u>
	<b>Non-current Assets</b>				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	333,942	3	476,731	4
1550	Investments accounted for under equity method (Notes 4, 5 and 13)	643,709	7	693,810	6
1600	Property, Plant and Equipment (Notes 4, 14, 18, 30 and 31)	1,960,833	21	2,007,587	19
1755	Right-of-use assets (Notes 4, 15, 18, 30 and 31)	68,046	1	73,370	1
1760	Net of investment properties (Notes 4 and 16)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 17)	2,279	-	4,094	-
1840	Deferred tax assets (Notes 4 and 26)	59,573	1	65,703	1
1990	Other non-current assets (Notes 31)	<u>57,359</u>	<u>1</u>	<u>24,850</u>	<u>-</u>
15XX	Total non-current assets	<u>3,233,919</u>	<u>35</u>	<u>3,454,323</u>	<u>32</u>
1XXX	Total assets	<u>\$ 9,240,876</u>	<u>100</u>	<u>\$ 10,744,659</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-term loans (Notes 14, 15, 18 and 31)	\$ 150,000	2	\$ 350,000	3
2170	Accounts payable (Note 19)	645,769	7	1,029,476	10
2180	Accounts payable - related parties (Notes 19 and 30)	657	-	28	-
2200	Other payables (Note 20)	297,925	3	429,580	4
2220	Other payables - related parties (Note 30)	5,094	-	6,795	-
2230	Current tax liabilities (Notes 4 and 26)	144,807	2	456,961	4
2280	Lease liabilities - current (Notes 4, 15 and 30)	4,614	-	4,564	-
2365	Refund liabilities - current (Note 21)	1,102	-	897	-
2399	Other current liabilities	<u>107,994</u>	<u>1</u>	<u>64,859</u>	<u>1</u>
21XX	Total current liabilities	<u>1,357,962</u>	<u>15</u>	<u>2,343,160</u>	<u>22</u>
	<b>Non-current Liabilities</b>				
2540	Long-term loans (Note 18)	300,000	3	300,000	3
2570	Deferred tax liabilities (Notes 4 and 26)	209,100	2	209,012	2
2580	Lease liabilities - non-current (Notes 4, 15 and 30)	33,760	-	38,374	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 22)	127,716	2	186,419	2
2670	Other non-current liabilities	<u>6,124</u>	<u>-</u>	<u>5,881</u>	<u>-</u>
25XX	Total non-current liabilities	<u>676,700</u>	<u>7</u>	<u>739,686</u>	<u>7</u>
2XXX	Total liabilities	<u>2,034,662</u>	<u>22</u>	<u>3,082,846</u>	<u>29</u>
	<b>Equity attributable to the owners of the Company (Notes 13, 22 and 23)</b>				
	<b>Capital stock</b>				
3110	Common stock	<u>3,975,868</u>	<u>43</u>	<u>3,786,541</u>	<u>35</u>
3200	Capital surplus	<u>1,099</u>	<u>-</u>	<u>992</u>	<u>-</u>
	<b>Retained earnings</b>				
3310	Legal reserve	457,804	5	273,706	3
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	<u>2,254,818</u>	<u>25</u>	<u>2,943,210</u>	<u>27</u>
3300	Total retained earnings	<u>3,020,683</u>	<u>33</u>	<u>3,524,977</u>	<u>33</u>
3400	Other equity	<u>208,564</u>	<u>2</u>	<u>349,303</u>	<u>3</u>
3XXX	Total equity	<u>7,206,214</u>	<u>78</u>	<u>7,661,813</u>	<u>71</u>
	Total liabilities and equity	<u>\$ 9,240,876</u>	<u>100</u>	<u>\$ 10,744,659</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail

# TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

In Thousands of New Taiwan Dollars, Except Earnings per share

Code		2022		2021	
		Amount	%	Amount	%
4100	Revenue from sales (Notes 4, 21, 24 and 30)	\$18,083,799	100	\$20,771,165	100
5110	Cost from sales (Notes 11, 22, 25 and 30)	<u>16,323,674</u>	<u>90</u>	<u>17,385,209</u>	<u>84</u>
5900	Gross profit	<u>1,760,125</u>	<u>10</u>	<u>3,385,956</u>	<u>16</u>
	Operating expenses (Notes 10, 22, 25 and 30)				
6100	Selling and marketing expenses	1,332,808	8	953,213	4
6200	Administrative expenses	184,317	1	168,522	1
6300	Research and development expense	15,312	-	18,546	-
6450	Expected credit impairment loss (gain)	<u>2,231</u>	<u>-</u>	<u>( 1,697)</u>	<u>-</u>
6000	Total operating expenses	<u>1,534,668</u>	<u>9</u>	<u>1,138,584</u>	<u>5</u>
6900	Profit from operations	<u>225,457</u>	<u>1</u>	<u>2,247,372</u>	<u>11</u>
	Non-operating revenue and expenditure (Notes 7, 13, 16, 25 and 30)				
7100	Interest income	42,437	-	41,853	-
7010	Other income	90,742	1	71,396	-
7020	Other gains and losses	189,912	1	( 22,902)	-
7060	The share of profit or loss of the associates for under the equity method	2,661	-	74,888	1
7510	Financial costs	<u>( 6,835)</u>	<u>-</u>	<u>( 5,163)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>318,917</u>	<u>2</u>	<u>160,072</u>	<u>1</u>

(Continued on the next page)



(Continued from the previous page)

Code		2022		2021	
		Amount	%	Amount	%
7900	Profit before income tax	\$ 544,374	3	\$ 2,407,444	12
7950	Income tax expense (Note 4 and 26)	<u>132,296</u>	<u>1</u>	<u>557,512</u>	<u>3</u>
8200	Net profit for the year	<u>412,078</u>	<u>2</u>	<u>1,849,932</u>	<u>9</u>
	Other comprehensive profit or loss (Notes 8, 13, 22, 23 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	31,140	-	( 10,886)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive incomes	( 142,789)	-	135,234	1
8320	Share of the other comprehensive profit or loss of associates accounted for under equity method - unrealized profit or loss on investments in equity instruments at fair value through other comprehensive profit or loss	( 31,941)	-	36,974	-
8330	Share of the other comprehensive profit or loss of associates accounted for using the equity method - remeasurement of defined benefit plans	5,351	-	( 247)	-
8349	Income tax related to components that will not be reclassified to profit or loss	( <u>6,228</u> )	-	<u>2,177</u>	-
		( <u>144,467</u> )	-	<u>163,252</u>	<u>1</u>

(Continued on the next page)

(Continued from the previous page)

Code		2022		2021	
		Amount	%	Amount	%
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	\$ 39,679	-	(\$ 20,716)	-
8371	Share of other comprehensive loss of associates accounted for under the equity method - exchange difference resulting from translating the financial statements of foreign operations	2,511	-	( 2,734)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 8,199)	-	4,559	-
		<u>33,991</u>	<u>-</u>	<u>( 18,891)</u>	<u>-</u>
8300	Other comprehensive incomes for the year (net of income tax)	( 110,476)	-	144,361	1
8500	Total comprehensive income	<u>\$ 301,602</u>	<u>2</u>	<u>\$ 1,994,293</u>	<u>10</u>
	Earnings per share (Note 27)				
9710	Basic	<u>\$ 1.04</u>		<u>\$ 4.65</u>	
9810	Diluted	<u>\$ 1.04</u>		<u>\$ 4.64</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

# TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

		Equity attributable to the owners of the Company (Notes 13, 22 and 23)										Other equity		
Code		Capital stock		Capital surplus		Retained earnings				Unrealized gain (loss) on financial assets at fair value through other comprehensive income		Financial assets at fair value through other comprehensive incomes unrealized profit or loss		
		Shares (in Thousands)	Amount	Long-term equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Total	Total Equity		
A1	Balance as of January 1, 2021	344,231	\$ 3,442,310	\$ 520	\$ 296	\$ 816	\$ 81,781	\$ 308,061	\$ 2,326,852	\$ 2,716,694	( \$ 125,641 )	\$ 321,627	\$ 195,986	\$ 6,355,806
	Appropriation of 2020 earnings													
B1	Legal reserve	-	-	-	-	-	191,925	-	( 191,925 )	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	( 688,462 )	( 688,462 )	-	-	-	( 688,462 )
B9	Share dividends distributed by the Company	34,423	344,231	-	-	-	-	-	( 344,231 )	( 344,231 )	-	-	-	-
T1	Changes in capital surplus	-	-	33	143	176	-	-	-	-	-	-	-	176
D1	Net profit for the year 2021	-	-	-	-	-	-	-	1,849,932	1,849,932	-	-	-	1,849,932
D3	Other comprehensive incomes after tax for the year 2021	-	-	-	-	-	-	-	( 8,956 )	( 8,956 )	( 18,891 )	172,208	153,317	144,361
D5	Total comprehensive income for the year 2021	-	-	-	-	-	-	-	1,840,976	1,840,976	( 18,891 )	172,208	153,317	1,994,293
Z1	Balance as of December 31, 2021	378,654	3,786,541	553	439	992	273,706	308,061	2,943,210	3,524,977	( 144,532 )	493,835	349,303	7,661,813
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	184,098	-	( 184,098 )	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	( 757,308 )	( 757,308 )	-	-	-	( 757,308 )
B9	Share dividends distributed by the Company	18,933	189,327	-	-	-	-	-	( 189,327 )	( 189,327 )	-	-	-	-
T1	Changes in capital surplus	-	-	107	-	107	-	-	-	-	-	-	-	107
D1	Net profit for the year 2022	-	-	-	-	-	-	-	412,078	412,078	-	-	-	412,078
D3	Other comprehensive incomes after tax for the year 2022	-	-	-	-	-	-	-	30,263	30,263	33,991	( 174,730 )	( 140,739 )	( 110,476 )
D5	Total comprehensive income for the year 2022	-	-	-	-	-	-	-	442,341	442,341	33,991	( 174,730 )	( 140,739 )	301,602
Z1	Balance as of December 31, 2022	397,587	\$ 3,975,868	\$ 660	\$ 439	\$ 1,099	\$ 457,804	\$ 308,061	\$ 2,254,818	\$ 3,020,683	( \$ 110,541 )	\$ 319,105	\$ 208,564	7,206,214

The accompanying notes are an integral part of the Consolidated Financial Statements.

### Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

# TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 544,374	\$ 2,407,444
A20010	Adjustments		
A20100	Depreciation expenses	206,813	199,749
A20200	Amortization expenses	1,815	1,752
A20300	Expected credit impairment losses (reversal gains)	2,231	( 1,697 )
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	18,547	( 1,254 )
A20900	Financial costs	6,835	5,163
A21200	Interest income	( 42,437 )	( 41,853 )
A21300	Dividend income	( 36,705 )	( 19,077 )
A22300	Share of profit or loss of associates recognized under the equity method	( 2,661 )	( 74,888 )
A22500	Loss (Gain) on Disposal and Retirement of Property, Plant and Equipment	( 2,391 )	729
A23200	Gains on disposal on investments accounted for under the equity method	-	( 153 )
A23700	Write-down of inventory valuation and obsolescence	32,436	2,005
A23800	The impairment loss on impairment of property, plant, and equipment	-	39
A29900	Recognition of refund liabilities	7,918	6,944
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	262,375	( 333,731 )
A31130	Notes receivable	102,949	85,307
A31150	Accounts receivable	725,160	( 344,733 )
A31160	Accounts receivable from related parties	-	27
A31180	Other receivables	26,576	( 45,298 )
A31190	Other receivables from related parties	383	( 1,789 )
A31200	Inventories	276,430	( 518,345 )
A31230	Prepayments and other current assets	( 78,244 )	( 58,214 )
A32150	Accounts Payable	( 384,886 )	( 149,859 )
A32160	Accounts payable to related parties	629	( 470 )
A32180	Other Payables	( 150,759 )	20,675
A32190	Other payables from related parties	( 1,701 )	2,617
A32230	Other current liabilities	42,977	35,947
A32240	Net defined benefit liabilities	( <u>27,563</u> )	( <u>26,263</u> )
A33000	Cash generated from operations	1,531,101	1,150,774

(Continued on the next page)

(Continued from the previous page)

Code		2022	2021
A33100	Interest received	\$ 40,993	\$ 39,736
A33300	Interest paid	( 6,766 )	( 5,224 )
A33500	Income tax paid	( <u>462,438</u> )	( <u>449,065</u> )
AAAA	Net cash generated from operating activities	<u>1,102,890</u>	<u>736,221</u>
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	( 3,000 )	( 811 )
B00050	Proceeds from disposal of financial assets at amortized cost	1,822	-
B02700	Payments for property, plant and equipment	( 141,981 )	( 128,203 )
B02800	Proceeds from disposal of property, plant, and equipment	9,921	-
B03700	Increase in refundable deposits	( 34,313 )	( 796 )
B03800	Decrease in refundable deposits	1,705	-
B04500	Payments for intangible assets	-	( 440 )
B07600	Dividends received	65,495	38,819
B09900	Proceeds from liquidation of investments accounted for under the equity method	<u>-</u>	<u>153</u>
BBBB	Net cash used in investing activities	( <u>100,351</u> )	( <u>91,278</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	200,000
C00200	Decrease in short-term borrowings	( 200,000 )	-
C01600	Proceeds from long-term borrowings	750,000	1,600,000
C01700	Repayments of long-term borrowings	( 750,000 )	( 1,600,000 )
C04020	Repayment of the principal portion of lease liabilities	( 4,564 )	( 4,514 )
C04300	Increase in other non-current liabilities	180	1,481
C04500	Cash dividends paid	( 757,308 )	( 688,462 )
C04400	Refund of unclaimed overdue cash dividends	3,134	552
C09900	Claim for disgorgement	<u>-</u>	<u>143</u>
CCCC	Cash used in financing activities	( <u>958,558</u> )	( <u>490,800</u> )
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>19,824</u>	( <u>14,366</u> )
EEEE	Increase in cash and cash equivalents in the current year	63,805	139,777
E00100	Cash and cash equivalents at the beginning of period	<u>2,598,283</u>	<u>2,458,506</u>
E00200	Cash and cash equivalents at the end of period	<u>\$ 2,662,088</u>	<u>\$ 2,598,283</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

## **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors and Shareholders

Taita Chemical Co., Ltd.

### **Opinion**

We have audited the accompanying financial statements of Taita Chemical Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in auditing the consolidated Financial Statements for the year ended December 31, 2022. Those items were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these items.

The key audit matters identified in the Company’s consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Authenticity of the Recognition of Sales Revenue from Customers of Specific Products

Due to the market demand and the fluctuation of international crude oil price, the sales revenue of the Company declined compared with that for the year 2021. However, the sales revenue of specific products in 2022 showed a growing trend, and the sales revenue from some customers has increased significantly in great amounts. Whether these sales revenues are recognized when the contractual obligations are actually met will have a significant impact on the Financial Statements and is therefore the key audit matter for the year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4, 23 of the Financial Statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

1. We understood and test the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
2. We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
3. We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

### **Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

The management is responsible for preparing and fairly presenting the Financial Statements under the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for maintaining internal controls as appropriate to ensure the Financial Statements free from material misstatements arising from any fraud or error.

While preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, items related to going concern and using the going concern basis of accounting, unless it either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements, as a whole, are free from material misstatements due to any fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted under the auditing standards will always detect any material misstatement when it exists. Misstatements may arise from any fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of the Financial Statements.

As part of an audit 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 have also completed the following jobs:

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

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

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

From items communicated with those charged with governance, we have identified key audit matters in the Company's financial statements for the year ended December 31, 2022. We disclose such items in our auditors' report unless law or regulation precludes or when, in very unusual situations, we decide not to communicate in our report because the consequences of doing so would outweigh the public interest thereon as reasonably expected



Deloitte & Touche

CPAChiu, Cheng-Chun

CPAHuang, Hsiu-Chun

Financial Regulatory Commission

(FRC) Approval Number

Financial Regulatory Commission

(FRC) certificate No. 0930160267

Securities and Futures Commission

Approval Number

Securities and Futures Commission

certificate No. 0920123784

March 10, 2023

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 477,979	5	\$ 425,875	4
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	415,053	5	695,975	7
1136	Financial assets at amortized cost - current (Notes 4, 9 and 30)	5,000	-	3,000	-
1150	Notes receivable (Notes 4 and 10)	45,071	-	44,729	-
1170	Accounts receivable (Notes 4, 5 and 10)	1,095,975	12	1,787,984	17
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 29)	-	-	542	-
1200	Other receivables (Notes 4 and 10)	67,612	1	94,017	1
1210	Other receivables from related parties (Notes 4, 10 and 29)	285,580	3	259,271	2
130X	Inventories (Notes 4, 5 and 11)	733,589	8	943,406	9
1410	Prepayments and other current assets	<u>80,783</u>	<u>1</u>	<u>138,507</u>	<u>1</u>
11XX	Total current assets	<u>3,206,642</u>	<u>35</u>	<u>4,393,306</u>	<u>41</u>
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	333,936	4	476,725	5
1550	Investments accounted for under the equity method (Notes 4, 5 and 12)	3,720,661	41	3,770,026	36
1600	Property, plant and equipment (Notes 4, 13 and 29)	1,648,052	18	1,710,988	16
1755	Right-of-use assets (Notes 4, 14 and 29)	36,955	-	41,574	-
1760	Investment properties, net (Notes 4 and 15)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 16)	2,279	-	4,094	-
1840	Deferred income tax assets (Notes 4 and 25)	50,908	1	62,723	1
1900	Other non-current assets (Note 30)	<u>23,829</u>	<u>-</u>	<u>24,786</u>	<u>-</u>
15XX	Total non-current assets	<u>5,924,798</u>	<u>65</u>	<u>6,199,094</u>	<u>59</u>
1XXX	Total assets	<u>\$ 9,131,440</u>	<u>100</u>	<u>\$ 10,592,400</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note 17)	\$ 150,000	2	\$ 350,000	3
2170	Accounts payable (Note 18)	587,893	6	947,229	9
2180	Accounts payable to related parties (Notes 18 and 29)	657	-	28	-
2200	Other payables (Note 19)	260,086	3	387,449	4
2220	Other payables from related parties (Note 29)	5,094	-	6,795	-
2230	Current tax liabilities (Notes 4 and 25)	142,379	2	443,684	4
2280	Lease liabilities - current (Notes 4, 14 and 29)	4,614	-	4,564	-
2365	Refund liabilities - current (Note 20)	1,102	-	897	-
2399	Other current liabilities	<u>100,841</u>	<u>1</u>	<u>54,332</u>	<u>1</u>
21XX	Total current liabilities	<u>1,252,666</u>	<u>14</u>	<u>2,194,978</u>	<u>21</u>
	Non-current Liabilities				
2540	Long-term borrowings (Note 17)	300,000	3	300,000	3
2570	Deferred income tax liabilities (Notes 4 and 25)	209,100	2	209,012	2
2580	Lease liabilities - non-current (Notes 4, 14 and 29)	33,760	-	38,374	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	127,716	2	186,419	2
2670	Other non-current liabilities	<u>1,984</u>	<u>-</u>	<u>1,804</u>	<u>-</u>
25XX	Total non-current liabilities	<u>672,560</u>	<u>7</u>	<u>735,609</u>	<u>7</u>
2XXX	Total liabilities	<u>1,925,226</u>	<u>21</u>	<u>2,930,587</u>	<u>28</u>
	Equity (Notes 12, 21 and 22)				
	Capital stock				
3110	Common stock	<u>3,975,868</u>	<u>44</u>	<u>3,786,541</u>	<u>36</u>
3200	Capital surplus	<u>1,099</u>	<u>-</u>	<u>992</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	457,804	5	273,706	2
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	<u>2,254,818</u>	<u>25</u>	<u>2,943,210</u>	<u>28</u>
3300	Total retained earnings	<u>3,020,683</u>	<u>33</u>	<u>3,524,977</u>	<u>33</u>
3400	Other equity	<u>208,564</u>	<u>2</u>	<u>349,303</u>	<u>3</u>
3XXX	Total equity	<u>7,206,214</u>	<u>79</u>	<u>7,661,813</u>	<u>72</u>
	Total liabilities and equity	<u>\$ 9,131,440</u>	<u>100</u>	<u>\$ 10,592,400</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

**TAITA CHEMICAL CO., LTD.****STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****In Thousands of New Taiwan Dollars, Except Earnings per share**

Code		2022		2021	
		Amount	%	Amount	%
4100	Proceeds of sale (Notes 4, 20, 23 and 29)	\$ 12,870,472	100	\$ 15,726,081	100
5110	Cost of goods sold (Notes 11, 13, 14, 21, 24 and 29)	<u>11,123,548</u>	<u>87</u>	<u>12,656,293</u>	<u>80</u>
5900	Gross profit	<u>1,746,924</u>	<u>13</u>	<u>3,069,788</u>	<u>20</u>
5910	Unrealized loss of sales with subsidiaries	<u>-</u>	<u>-</u>	<u>2,476</u>	<u>-</u>
5920	Realized loss of sales with subsidiaries	<u>( 2,181 )</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Operating expenses (Notes 10, 14, 21, 24 and 29)				
6100	Selling and marketing expenses	1,295,984	10	910,610	6
6200	Administrative expenses	128,765	1	117,882	1
6300	Research and development expense	15,312	-	18,546	-
6450	Expected credit impairment (gain) loss	<u>( 1 )</u>	<u>-</u>	<u>2</u>	<u>-</u>
6000	Total operating expenses	<u>1,440,060</u>	<u>11</u>	<u>1,047,040</u>	<u>7</u>
6900	Profit from operations	<u>304,683</u>	<u>2</u>	<u>2,025,224</u>	<u>13</u>
	Non-operating income and expenses (Notes 7, 12, 15, 24 and 29)				
7100	Interest income	3,800	-	1,463	-
7010	Other income	77,178	1	61,833	-
7020	Other gains and losses	202,146	1	( 36,283 )	-
7070	Shares of profit (loss) in subsidiaries and/or associates accounted for under the equity method	<u>( 34,101 )</u>	<u>-</u>	<u>282,784</u>	<u>2</u>
7510	Financial costs	<u>( 6,835 )</u>	<u>-</u>	<u>( 5,163 )</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>242,188</u>	<u>2</u>	<u>304,634</u>	<u>2</u>

(Continued on the next page)

(Continued from the previous page)

Code		2022		2021	
		Amount	%	Amount	%
7900	Profit before income tax	\$ 546,871	4	\$ 2,329,858	15
7950	Income tax expense (Notes 4 and 25)	<u>134,793</u>	<u>1</u>	<u>479,926</u>	<u>3</u>
8200	Net profit for the year	<u>412,078</u>	<u>3</u>	<u>1,849,932</u>	<u>12</u>
	Other comprehensive incomes (Notes 8, 12, 21, 22 and 25)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	31,140	-	( 10,886)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive incomes	( 142,789)	( 1)	135,234	1
8320	Shares of other comprehensive incomes (losses) in associates accounted for under the equity method - unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive incomes	( 31,941)	-	36,974	-
8330	Shares of other comprehensive incomes (losses) in associates accounted for under the equity method - remeasurement of defined benefit plans	5,351	-	( 247)	-
8349	Income tax related to components that will not be reclassified to profit or loss	( <u>6,228</u> )	<u>-</u>	<u>2,177</u>	<u>-</u>
		( <u>144,467</u> )	( <u>1</u> )	<u>163,252</u>	<u>1</u>

(Continued on the next page)

(Continued from the previous page)

Code		2022		2021	
		Amount	%	Amount	%
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	40,992	-	( 22,793 )	-
8371	Share of other comprehensive loss of associates accounted for under the equity method - exchange difference resulting from translating the financial statements of foreign operations	\$ 1,198	-	( \$ 657 )	-
8390	Income tax relating to items that may be reclassified subsequently to profit or loss	( 8,199 )	-	4,559	-
		<u>33,991</u>	-	( <u>18,891</u> )	-
8300	Other comprehensive incomes for the year (net of income tax)	( 110,476 )	( 1 )	144,361	1
8500	Total comprehensive income	<u>\$ 301,602</u>	<u>2</u>	<u>\$ 1,994,293</u>	<u>13</u>
	Earnings per share (Note 26)				
9710	Basic	<u>\$ 1.04</u>		<u>\$ 4.65</u>	
9810	Diluted	<u>\$ 1.04</u>		<u>\$ 4.64</u>	

(Continued on the next page)

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		Share capital (Note 22)		Capital surplus (Note 22)		Retained earnings (Notes 21 and 22)				Other equity (Notes 12 and 22)		Total	Total Equity	
		Shares (in Thousands)	Amount	Long-term equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations			Unrealized gains (losses) on financial assets at fair value through other comprehensive incomes
A1	Balance as of January 1, 2021	344,231	\$ 3,442,310	\$ 520	\$ 296	\$ 816	\$ 81,781	\$ 308,061	\$ 2,326,852	\$ 2,716,694	( \$ 125,641 )	\$ 321,627	\$ 195,986	\$ 6,355,806
	Appropriation of 2020 earnings													
B1	Legal reserve	-	-	-	-	-	191,925	-	( 191,925 )	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	( 688,462 )	( 688,462 )	-	-	-	( 688,462 )
B9	Share dividends distributed by the Company	34,423	344,231	-	-	-	-	-	( 344,231 )	( 344,231 )	-	-	-	-
T1	Changes in capital surplus	-	-	33	143	176	-	-	-	-	-	-	-	176
D1	Net profit for the year 2021	-	-	-	-	-	-	-	1,849,932	1,849,932	-	-	-	1,849,932
D3	Other comprehensive incomes after tax for the year 2021	-	-	-	-	-	-	-	( 8,956 )	( 8,956 )	( 18,891 )	172,208	153,317	144,361
D5	Total comprehensive income for the year 2021	-	-	-	-	-	-	-	1,840,976	1,840,976	( 18,891 )	172,208	153,317	1,994,293
Z1	Balance as of December 31, 2021	378,654	3,786,541	553	439	992	273,706	308,061	2,943,210	3,524,977	( 144,532 )	493,835	349,303	7,661,813
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	184,098	-	( 184,098 )	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	( 757,308 )	( 757,308 )	-	-	-	( 757,308 )
B9	Share dividends distributed by the Company	18,933	189,327	-	-	-	-	-	( 189,327 )	( 189,327 )	-	-	-	-
T1	Changes in capital surplus	-	-	107	-	107	-	-	-	-	-	-	-	107
D1	Net profit for the year 2022	-	-	-	-	-	-	-	412,078	412,078	-	-	-	412,078
D3	Other comprehensive incomes after tax for the year 2022	-	-	-	-	-	-	-	30,263	30,263	33,991	( 174,730 )	( 140,739 )	( 110,476 )
D5	Total comprehensive income for the year 2022	-	-	-	-	-	-	-	442,341	442,341	33,991	( 174,730 )	( 140,739 )	301,602
Z1	Balance as of December 31, 2022	397,587	\$ 3,975,868	\$ 660	\$ 439	\$ 1,099	\$ 457,804	\$ 308,061	\$ 2,254,818	\$ 3,020,683	( \$ 110,541 )	\$ 319,105	\$ 208,564	\$ 7,206,214

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

## Taita Chemical Co., Ltd.

### Statements of Cash Flow

For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 546,871	\$ 2,329,858
	Adjustments for:		
A20100	Depreciation expenses	171,282	167,620
A20200	Amortization expenses	1,815	1,752
A20300	Expected credit impairment loss (gain on reversal)	( 1)	2
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	18,547	( 1,254)
A20900	Financial costs	6,835	5,163
A21200	Interest income	( 3,800)	( 1,463)
A21300	Dividend income	( 36,705)	( 19,077)
A22300	Shares of profit (loss) in subsidiaries and/or associates accounted for under the equity method	34,101	( 282,784)
A22500	Loss (Gain) on Disposal and Retirement of Property, Plant and Equipment	( 3,333)	139
A23200	Gains on disposal on investments accounted for under the equity method	-	( 153)
A23700	Write-down of inventory valuation and obsolescence	27,051	1,030
A23900	Unrealized loss of sales with subsidiaries	-	( 2,476)
A24000	Realized loss of sales with subsidiaries	2,181	-
A29900	Recognition of refund liabilities	7,918	6,944
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	262,375	( 333,731)
A31130	Notes receivable	( 342)	( 3,462)
A31150	Accounts receivable	684,297	( 367,431)
A31160	Accounts receivable from related parties	542	2,303
A31180	Other receivables	26,577	( 45,282)
A31190	Other receivables from related parties	( 26,309)	7,409
A31200	Inventories	252,856	( 442,288)
A31230	Prepayments and other current assets	( 12,366)	( 3,731)
A32150	Accounts Payable	( 359,336)	( 154,749)
A32160	Accounts payable to related parties	629	( 470)
A32180	Other Payables	( 145,817)	55,929
A32190	Other payables from related parties	( 1,701)	2,617
A32230	Other current liabilities	\$ 46,509	\$ 33,505
A32240	Net defined benefit liabilities	( 27,563)	( 26,263)
A33000	Cash generated from operations	1,473,113	929,657
A33100	Interest received	3,628	1,460
A33300	Interest paid	( 6,766)	( 5,224)
A33500	Income tax paid	( 438,622)	( 314,016)
AAAA	Net cash generated from operating activities	<u>1,031,353</u>	<u>611,877</u>

(To be Continued)

(Continued)		2022	2021
Code			
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	( 3,000 )	-
B00050	Proceeds from disposal of financial assets at amortized cost	1,000	-
B02700	Payments for property, plant and equipment	( 95,064 )	( 97,410 )
B02800	Proceeds from disposal of property, plant and equipment	9,921	-
B03700	Increase in refundable deposits	( 748 )	( 787 )
B03800	Decrease in refundable deposits	1,705	-
B04500	Payments for intangible assets	-	( 440 )
B07600	Dividends received	65,495	38,819
B09900	Proceeds from liquidation of investments accounted for under the equity method	-	153
BBBB	Net cash used in investing activities	( <u>20,691</u> )	( <u>59,665</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	200,000
C00200	Decrease in short-term borrowings	( 200,000 )	-
C01600	Proceeds from long-term borrowings	750,000	1,600,000
C01700	Repayments of long-term borrowings	( 750,000 )	( 1,600,000 )
C04020	Repayment of the principal portion of lease liabilities	( 4,564 )	( 4,514 )
C04300	Increase in other non-current liabilities	180	175
C04500	Cash dividends paid	( 757,308 )	( 688,462 )
C04400	Refund of unclaimed overdue cash dividends	3,134	552
C09900	Claim for disgorgement	-	143
CCCC	Cash used in financing activities	( <u>958,558</u> )	( <u>492,106</u> )
EEEE	Increase in cash and cash equivalents in the current year	52,104	60,106
E00100	Cash and cash equivalents at the beginning of period	<u>425,875</u>	<u>365,769</u>
E00200	Cash and cash equivalents at the end of period	<u>\$ 477,979</u>	<u>\$ 425,875</u>

The accompanying notes are an integral part of the Parent Company Only financial statements.

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Huang, Hsiu-Chun and CPA Chiu, Cheng-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.



## **Matters for Ratification and Discussion :**

### Proposal 2

Proposed by the Board

To ratify 2022 earnings distribution.

Description: 1. In 2022, the earnings after tax was NT\$442,340,081. After appropriating NT\$44,234,00 as the legal reserve, the distributable net profit of 2022 is NT\$398,106,073. By the end of 2022, the accumulated distributable earnings is NT\$2,210,584,062 and will be distributed cash dividend NT\$198,793,424, i.e. NT\$0.5 per share.

The unappropriated earnings after distribution will be NT\$2,011,790,638.

2. Please refer to p.34, “Profit Distribution Table”, for details.
3. According to this proposal, the profit of 2022 will first be distributed, and the insufficiency will be distributed from the profit of previous years.
4. The cash dividends allocated to each shareholder shall be rounded down to a whole

dollar amount of New Taiwan Dollars, and the total amount of allocation will be subject to the actual amount allocated.

5. Please authorize the Chairman to set a target date for the distribution of cash dividends after the adoption of this proposal.

Resolution :

**Taita Chemical Company, Limited**  
**2022 Profit Distribution Table**

	expressed in NTD
Net profit before tax of 2022	546,870,892
Less: Income tax	(134,793,409)
Net profit of 2022	<u>412,077,483</u>
Add: Retained earnings adjusted for the defined benefit plan after re-measurement	24,912,277
Add: Retained earnings adjusted for investments made under the equity method	<u>5,350,321</u>
Net Profit after tax of 2022	442,340,081
Less: Legal reserve	(44,234,008)
Distributable net profit of 2022	<u>398,106,073</u>
Add: Beginning unappropriated earnings	<u>1,812,477,989</u>
Accumulated distributable earnings at the end of 2022	<u><u>2,210,584,062</u></u>
Distributable items:	
(total number of issued shares:397,586,848)	
Cash : NT\$0.5 per share	<u>198,793,424</u>
Total amount of distribution	<u>198,793,424</u>
Unappropriated earnings at the end of 2022 transferred to the next year	<u><u>2,011,790,638</u></u>

Chairman : Wu, Yih-Guei

President : Wu, Pei-Chi

Chief Accounting Office : Lin, Jin-Cai

## **Matters for Ratification and Discussion :**

### Proposal 3

Proposed by the Board

To approve the amendment to the “Articles of Incorporation”.

Description : 1. In order to make the company's method of convening shareholders' meetings can be held by video conferencing, and due to actual needs, it is proposed to amend part of the company's “Articles of Incorporation”.

2. The amendment to the “Articles of Incorporation” is shown in the next page.

Resolution :

**Taita Chemical Company, Limited**  
**The Amendment to the**  
**” Articles of Incorporation”**

After amendment	Before amendment	Description
<p>Article 11-1: Shareholders’ meeting of the company can be held by video conferencing or other methods announced by the central competent authority.</p>		<p>1. New provisions added. 2. It proclaim that the shareholders' meeting can be held by videoconferencing.</p>
<p>Article 13: Resolutions at a shareholders’ meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the shareholders present, who represent more than a majority of the total issued shares. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of <u>writing or</u> electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.</p>	<p>Article 13: Resolutions at a shareholders’ meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the shareholders present, who represent more than a majority of the total issued shares. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.</p>	<p>In order to cooperate with the current stock affairs operation, the text shall be revised as appropriate.</p>
<p>Article 23-1: The Company <u>shall</u> purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.</p>	<p>Article 23-1: The Company <u>may</u> purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.</p>	<p>Amended in accordance with the law.</p>
<p>Article 28: The Articles of Incorporation was established on December 4, 1959. (following content omitted) <u>55th amendments hereto were made on May 30, 2023.</u></p>	<p>Article 28: The Articles of Incorporation was established on December 4, 1959. (following content omitted) <u>54th amendments hereto were made on June 24, 2019.</u></p>	<p>Add the revision date.</p>

## **Matters for Ratification and Discussion :**

### Proposal 4

Proposed by the Board

To approve the amendment to the “Parliamentary Rules for Shareholders’ Meetings”.

Description : 1. In order to add the relevant provisions of the shareholders' meeting to be convened by video conferencing, and due to actual needs, it is proposed to amend part of the company's “Parliamentary Rules for Shareholders' Meetings”.

2. The amendment to the “Parliamentary Rules for Shareholders' Meetings” is shown in the next page.

Resolution :

**Taita Chemical Company, Limited**  
**The Amendment to the**  
**” Parliamentary Rules for Shareholders’ Meetings”**

After amendment	Before amendment	Description
<p>Article 3:            (Convening shareholders meetings and shareholders meeting notices)            Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.  <u>Any changes to the convening of a shareholders meeting shall be resolved by the board meeting, which should be completed at the latest before the notice of the shareholders meeting is sent.</u>            This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, <u>and the shareholders meeting agenda and supplemental meeting materials</u>, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation.  <u>The abovementioned meeting agenda</u></p>	<p>Article 3:            (Convening shareholders meetings and shareholders meeting notices)            Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.            This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. <u>This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation <u>and distributed on-site at</u></p>	<p>1. Revised with respect to the legal amendments and business practices.            2. In accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies (referred to as the Regulations Governing the Administration of Shareholder Services) and the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings (referred to as the Sample Template) issued by the Taiwan Stock Exchange Corporation, add the methods of providing the meeting agenda and</p>

<p><u>and supplementary materials shall be made available by this Corporation to shareholders in the following ways on the day of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <li>1. <u>For physical shareholders meetings, to be distributed on-site at the meeting.</u></li> <li>2. <u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the video conferencing platform.</u></li> <li>3. <u>For virtual-only shareholders meetings, electronic documents should be shared on the video conferencing platform.</u></li> </ol> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and publish, and the main contents for the reason should be listed and explained <u>according to law, and shall not be raised by an extraordinary motion.</u></p> <p>If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be change by a motion or other means in the same meeting of shareholders.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders 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</p>	<p><u>the meeting place.</u></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and publish. <u>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with this Corporation by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the corporation, any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the subjects to be described and the essential contents shall be explained in the notice to convene the shareholders meeting.</u> None of the above matters may be raised by an extraordinary motion.</p> <p>If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be change by a motion or other means in the same meeting of shareholders.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the</p>	<p>supplementary materials for the shareholders meeting that is convened through video conferencing.</p> <ol style="list-style-type: none"> <li>3. In terms of the operations and procedures for shareholder services, there are actives laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</li> </ol>
---	--	---



<p>directors may exclude it from the agenda.</p> <p>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 in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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.</p>	<p>meeting agenda. <u>A shareholder proposal proposed 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></p> <p>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> <p>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 in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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.</p> <p><u>Prior to the date for issuance 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.</u></p>	
--	--	--

<p>Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p> <p><u>Should the shareholder decide to attend the shareholders meeting by video conferencing after a proxy form has been received by this Corporation, a written notice of proxy cancellation shall be sent to this Corporation 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the requirements for a meeting which the shareholder wishes to attend through video conferencing if this Corporation convenes a shareholders meeting by video conferencing.</p>
<p>Article 5: (Principles determining the time and place of a shareholders meeting) The venue for a shareholders meeting shall be the premises of this</p>	<p>Article 5: (Principles determining the time and place of a shareholders meeting) The venue for a shareholders meeting shall be the premises of this</p>	<p>In accordance with the Regulations Governing the Administration of Shareholder</p>

<p>Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.  <u>The restriction on the place of the meeting shall not apply when this Corporation convenes a virtual-only.</u></p>	<p>Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>Services and the Sample Template, add that the restriction on the place of the meeting shall not apply when this Corporation convenes a virtual-only.</p>
<p>Article 6:  (Preparation of documents such as the attendance book)  This Corporation shall specify in its shareholders meeting notices the time during which shareholder, <u>solicitors and proxies (collectively "shareholders")</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention.  The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.  <u>Registering to the video conferencing platform of the shareholders meeting should be completed at least 30 minutes before the meeting starts, those who complete the registration process are considered to have attended the meeting in person.</u>  Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification</p>	<p>Article 6:  (Preparation of documents such as the attendance book)  This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.  The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.  <u>Shareholders and their proxies (collectively "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.</u>  Solicitors soliciting proxy forms shall also bring identification documents for verification.  This Corporation shall furnish the attending shareholders with an</p>	<p>In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the requirements for check-in and registration of shareholders attending the shareholders meeting through video conferencing and the disclosure of meeting materials if this Corporation convenes a shareholders meeting by video conferencing.</p>

<p>documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>For shareholders meetings that are held by video conferencing, shareholders who would like to attend the video conferencing of shareholders meeting should register with this Corporation at least two days before the shareholders meeting.</u></p> <p><u>For shareholders meetings that are held by video conferencing, this Corporation shall upload the meeting agenda, annual report and other relevant information to the video conferencing platform 30 minutes before the shareholders meeting, and keep this information disclosed until the end of the meeting.</u></p>	<p>attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 6-1:</u>  <u>(Matters to be included in the notice for the shareholders meeting conducted via video conferencing)</u>  <u>The shareholders meeting notice should specify the following matters if the</u></p>		<p>1. This article adds.  2 In accordance with the Regulations Governing the Administration of Shareholder</p>

<p>meeting is also made available through video conferencing:</p> <p><u>1. Methods of participation in the meeting through video conferencing and for exercising their rights.</u></p> <p><u>2. The handling of issues with the video conferencing platform or participation in the video conference due to natural disasters, incidents or other force majeure events.</u></p> <p><u>3. Other matters as required by law.</u></p>		<p>Services and the Sample Template, add items that should be specified in the meeting notice if this Corporation convenes a shareholders meeting by video conferencing.</p>
<p>Article 7: (The chair and non-voting participants of a shareholders meeting)</p> <p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.</p> <p>This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>	<p>Article 7: (The chair and non-voting participants of a shareholders meeting)</p> <p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.</p> <p><u>When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of this Corporation. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by the directors. The attendance shall be recorded in the meeting minutes. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.</u></p>	<p>In terms of the operations and procedures for shareholder services, there are active laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</p>

	<p><u>When there are two or more such convening parties, they shall mutually select a chair from among themselves.</u></p> <p>This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>	
<p>Article 8: (Documentation of a shareholders meeting by audio or video) This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>For the shareholders meetings held by video conferencing, this Corporation shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.</u> <u>The abovementioned materials and audio and video recordings shall be properly retained by this Corporation during the period of existence.</u></p>	<p>Article 8: (Documentation of a shareholders meeting by audio or video) This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the requirements for audio and video recording needed for video conferencing meetings if this Corporation convenes a shareholders meeting by video conferencing.</p>
<p>Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according</p>	<p>Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according</p>	<p>1. In accordance with the Regulations Governing the Administration</p>

<p>to the shares indicated by the attendance book <u>and number of shares represented as checked in to the video conferencing meeting platform</u>, and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of non-voting shares and the number of shares in attendance, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.</p>	<p>to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of non-voting shares and the number of shares in attendance, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</u></p> <p><u>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</u></p>	<p>of Shareholder Services and the Sample Template, add the calculation method for the number of shares present if this Corporation convenes a shareholders meeting by video conferencing.</p> <p>2 In terms of the operations and procedures for shareholder services, there are active laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</p>
<p>Article 10:</p>	<p>Article 10:</p>	<p>In terms of the</p>

<p>(Discussion of proposals)</p> <p>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>When the chair is of the opinion that a proposal and of amendments or extraordinary motions has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and <u>Specify the voting time, and that the shareholders present should complete voting before the voting time ends.</u></p>	<p>(Discussion of proposals)</p> <p>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p><u>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</u></p> <p><u>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.</u></p> <p><u>If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</u></p> <p><u>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. The time for voting shall be sufficient.</u></p>	<p>operations and procedures for shareholder services, there are active laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</p>
---	---	---



<p>Article 11: (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Report Items and matters unrelated to the proposals will not be put into discussion or vote. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. <u>For the shareholders meetings held by video conferencing, the shareholders who attend the meeting by video conferencing may raise their questions</u></p>	<p>Article 11: (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Report Items and matters unrelated to the proposals will not be put into discussion or vote. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair <u>and the shareholder that has the floor</u>; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the methods, procedures and restrictions for shareholders asking questions if this Corporation convenes a shareholders meeting by video conferencing.</p>
--	---	---

<p><u>in text on the video conferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words.</u></p>		
<p>Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights 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. 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. After a shareholder has exercised voting rights by correspondence or electronic</p>	<p>Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights 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. 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. After a shareholder has exercised voting rights by correspondence or electronic</p>	<p>1. In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the relevant regulations for resolutions on various motions and voting if this Corporation convenes a shareholders meeting by video conferencing. 2. Text Correction.</p>

<p>means, in the event the shareholder intends to attend the shareholders meeting in person <u>or by video conferencing</u>, 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.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p>	<p>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.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. <u>After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which</p>	
--	--	--

<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>After the chair announces the start of the meeting, the shareholders who participate in the meeting through video conferencing shall conduct voting on various motions and election through the video conferencing platform, and must complete the voting before the chair announces the close of voting.</u></p> <p><u>Those who do not complete the voting before the announced ending time are considered abstention.</u></p> <p><u>For the shareholders meetings held by video conferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.</u></p>	<p>they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	
<p>Article 16: (Public disclosure)</p> <p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and <u>number of shares whose voting rights are exercised by correspondence or electronically</u>, and shall make an express disclosure of the same at the</p>	<p>Article 16: (Public disclosure)</p> <p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p><u>If matters put to a resolution at a</u></p>	<p>1. In accordance with the Regulations Governing the Administration of Shareholder Services and the Sample Template, add the relevant regulations on the disclosure of</p>

<p>place of the shareholders meeting. <u>For shareholders meetings that are held by video conferencing, this Corporation shall upload the above information to the video conferencing platform 30 minutes before the shareholders meeting, and keep it disclosed until the end of the meeting.</u></p> <p><u>When the shareholders meeting by video conferencing is announced to start, the number of voting rights of the attending shareholders shall be disclosed on the video conferencing platform. The same applies to when the total number of shares of the shareholders in attendance and a new tally of votes is released during the meeting.</u></p>	<p><u>shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>	<p>the number of shares present if this Corporation convenes a shareholders meeting by video conferencing.</p> <p>2 In terms of the operations and procedures for shareholder services, there are active laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</p>
<p>Article 18: (Recess and resumption of a shareholders meeting)</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p> <p>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.</p>	<p>Article 18: (Recess and resumption of a shareholders meeting)</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p> <p>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.</p> <p><u>A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</u></p>	<p>In terms of the operations and procedures for shareholder services, there are active laws and regulations, so the section is deleted, and will not be repeatedly described in the Rules.</p>

## **Matters for Ratification and Discussion :**

### **Proposal 5**

Proposed by the Board

To approve the amendment to the “Rules for Election of Directors”.

Description :

1. In order to add the relevant provisions of the shareholders' meeting to be convened by video conferencing, and due to actual needs, it is proposed to amend part of the company's “Rules for Election of Directors”.
2. The amendment to the “Rules for Election of Directors” is shown in the next page.

Resolution :

**Taita Chemical Company, Limited**  
**The Amendment to the**  
**” Rules for Election of Directors”**

After amendment	Before amendment	Description
<p>Article 6            (the above omitted)            The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders’ meeting plus <u>written vote or e-votes.</u>            (the rest omitted)</p>	<p>Article 6            (the above omitted)            The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders’ meeting plus e-votes.            (the rest omitted)</p>	<p>In order to cooperate with the current stock affairs operation, the text shall be revised as appropriate.</p>
<p>Article 10  <u>Electors should check only one of the candidates listed in the “To be Elected” field of each ballot.</u>  <u>However, if shareholders exercise their votes in an electronic form, their voting shall be handled in accordance with the relevant laws and regulations of the competent authority.</u></p>	<p>Article 10  <u>The voters shall complete the relevant information based on the name list of candidates identified in the shareholders’ meeting handbook. Each ballot may enter only one candidate. When the candidate is a shareholder, please enter his/her account number and account name; otherwise, please enter the candidate’s name and ID No. When the candidate is a governmental organization or juristic person, the name of the governmental organization or juristic person shall be entered or both the name of the governmental organization or juristic person and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. Shareholders may enter their seals to replace completion of the information about candidates referred to in the preceding paragraph.</u></p>	<p>Adjust the ballot format.</p>
<p>Article 11            A ballot is invalid under any of the following circumstances at the shareholders’ meeting:</p>	<p>Article 11            A ballot is invalid under any of the following circumstances at the shareholders’ meeting:</p>	<p>In line with the adjustment of the format of the ballot, the text shall be</p>

<p>I. The ballot adopted is not that prepared pursuant to the Rules.</p> <p>II. A blank ballot <u>that has not been checked</u> is placed in the ballot box.</p> <p>III. The <u>checkmark</u> is unclear and indecipherable.</p> <p>IV. <u>The candidate that has been checked</u>, or the number of voting rights allotted is altered.</p> <p>V. Other words or marks are entered in addition to the information <u>checked</u> pursuant to the preceding Article and the number of voting rights allotted.</p> <p>VI. <u>There are more than two candidates on the same ballot.</u></p> <p>VII. <u>The total number of checked candidates exceeds the number of candidates to be elected.</u></p> <p>VIII. Total of voting rights allotted exceed the number of votes held by voters.</p> <p>Where the shareholders exercise their votes in <u>writing or</u> an electronic form, the invalid ballots shall be identified pursuant to the Rules and also the related laws promulgated by the competent authority.</p>	<p>I. The ballot adopted is not that prepared pursuant to the Rules.</p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The <u>writing</u> is unclear and indecipherable.</p> <p>IV. <u>Names and related information of the candidates</u>, or the number of voting rights allotted is altered.</p> <p>V. <u>The check shows that the information completed pursuant to the preceding Article is inconsistent with the information related to the nominated candidate.</u></p> <p>VI. Other words or marks are entered in addition to the information <u>completed</u> pursuant to the preceding Article and the number of voting rights allotted.</p> <p>VII. <u>The candidate identified is not a candidate who is nominated, or the quota of candidates exceed the number of candidates to be elected.</u></p> <p>VIII. Total of voting rights allotted exceed the number of votes held by voters.</p> <p>Where the shareholders exercise their votes in an electronic form, the invalid ballots shall be identified pursuant to the Rules and also the related laws promulgated by the competent authority.</p>	<p>revised as appropriate.</p>
<p>Article 13</p> <p>The voting rights shall be calculated on site immediately after the end of</p>	<p>Article 13</p> <p>The voting rights shall be calculated on site immediately after the end of</p>	<p>In order to cooperate with the current stock affairs operation, the</p>



<p>the poll, and the results of the calculation, including the results of calculation of <u>written vote or e-voting</u>, shall be announced by the chairperson on the site.</p>	<p>the poll, and the results of the calculation, including the results of calculation of e-voting, shall be announced by the chairperson on the site.</p>	<p>text shall be revised as appropriate.</p>
<p>Article 15 The ballots for the election cast on the site, together with the <u>written vote or e-voting materials</u>, shall be sealed with the signatures/seals of the monitoring personnel and kept by the Company in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Article 15 The ballots for the election cast on the site, together with the e-voting materials, shall be sealed with the signatures/seals of the monitoring personnel and kept by the Company in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>In order to cooperate with the current stock affairs operation, the text shall be revised as appropriate.</p>
<p>Article 16 <u>If the shareholder meeting is held by video conferencing or other methods announced by the central competent authority, and there are other rules to be complied with as specified by the securities authority, the Company shall also comply with those rules.</u></p>	<p>Article 16</p>	<ol style="list-style-type: none"> <li>1. New provisions added.</li> <li>2. Add that the Company shall comply with other relevant rules if the Company convenes a shareholder meeting by video conferencing.</li> </ol>
<p>Article 16-1 Any matters not covered herein shall be implemented in accordance with the Company Act, the Company's Articles of Incorporation, and other related laws.</p>	<p>Article 16 Any matters not covered herein shall be implemented in accordance with the Company Act, the Company's Articles of Incorporation, and other related laws.</p>	<p>Order of clauses amended.</p>

## Matters for Ratification and Discussion :

### Proposal 6

Proposed by the Board

To approve the permission of directors for competitive actions.

Description 1. Referring to 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. Directors of the Company engage in business within the scope of business of the Company are tabulated below. Without harming the interest of the Company, it is proposed to allow their act in accordance with the Company Act.

Name of Directors	Concurrent Employers	Title
James Yuan Independent Director	TricornTech Taiwan Corporation	Independent Director
Wu, Pei-Chi (Representative of Union Polymer International Investment Corporation)	USI Green Energy Corporation	Chairman
	USIG (Shanghai) Co., Ltd.	Chairman & President
	USI Corporation	Director & President
	Golden Amber Enterprises Ltd. 、 Swanlake Traders Ltd. 、 USI	Director

	(Hong Kong) Company Limited、USI Optronics Corporation、USIFE Investment Co., Ltd.、China General Plastics Corporation、Union Polymer International Investment Corporation	
	Chong Loong Trading Co., Ltd.	President

Resolution :

### **III. Extemporaneous Motions**

### **IV. Adjournment**

# **Appendix 1**

## **Taita Chemical Company, Limited Parliamentary Rules for Shareholders' Meetings ( Before Amendment )**

Amended on July 26, 2021

### Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and publish.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company,

approval of competing with this Corporation by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the subjects to be described and the essential contents shall be explained in the notice to convene the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

If re-election of the complete board of directors is listed as the purpose of a meeting of shareholders and the inauguration date is stated, after the completion of the board of directors, the inauguration date shall not be change by a motion or other means in the same meeting of shareholders.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders 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. A shareholder proposal proposed 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. 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.

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 in writing or by way of electronic transmission; the period for submission of shareholder proposals may not be less than 10 days.

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.

Prior to the date for issuance 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.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given

shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

#### Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of this Corporation.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by the directors. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of non-voting shares and the number of shares in attendance, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending



shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

## Article 10

### (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Any extemporary motion(s) and/or the amendment(s) to the original proposal(s) shall be resolved. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. The time for voting shall be sufficient.

## Article 11

### (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not

correspond to the subject given on the speaker's slip, the spoken content shall prevail. Report Items and matters unrelated to the proposals will not be put into discussion or vote. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

## Article 12

(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence).

When voting rights 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.

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.

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.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

#### (Election)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names not-elected as directors and the number of votes obtained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results of resolution (including a record made of the vote); where there is an election of directors, shall record the number of the vote for each candidate who is nominated and the minutes shall be retained for the duration of the existence of this Corporation.

#### Article 16

##### (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17

##### (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the

meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

#### Article 18

(Recess and resumption of a shareholders meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

#### Article 19

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

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

## **Appendix 2**

### **Taita Chemical Company, Limited**

#### **Articles of Incorporation**

#### **( Before Amendment )**

##### **Section 1. General Provisions**

- Article 1: The Company is incorporated under the Company Act of the Republic of China and named “台達化學工業股份有限公司” and “TAITA CHEMICAL COMPANY, LIMITED” in English.
- Article 2: The scope of the Company’s business is specified as follows:
1. Production and sales of Polystyrene resin and articles therefore.
  2. Production and sales of Acrylonitrile-butadiene-styrene (ABS) Copolymers.
  3. Production and sales of Styrene-acrylonitrile (SAN) Copolymers
  4. Glasswool and articles therefore.
  5. Plastic resins and articles therefore.
  6. E303020 Noise and vibration restricting engineering.
  7. E801010 Building Maintenance and Upholstery.
  8. ZZ99999 Other than business requiring special approval, any business not prohibited or restricted by laws or regulations.
- Article 2-1: The Company’s total investment may be exempted from the restriction for no more than 40% of the paid-in capital prescribed by Article 13 of the Company Act.
- Article 2-2: The Company may make endorsement/guarantee externally due to the Company’s business needs or investment needs. The endorsement/guarantee shall be signed by the Chairman on behalf of the Company and comply with the Company’s operating procedure for making endorsement/guarantee.
- Article 3: The Company’s head office is situated in Taipei City, Taiwan, the R.O.C., and, when necessary and approved by boards' meeting, may set up branches and factories locally or overseas considered by the Company as adequate.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

##### **Section 2. Stocks**

- Article 5: The total capital stock of the Company shall be in the amount of NT\$4,000,000,000, divided into 400,000,000 common shares, at a par

value of NT\$10 per share, and may be issued in installments.

Article 6: When issuing shares, this Company may be exempted from printing the stocks for such shares, provided that registration to and retention by a centralized securities depository enterprise shall be made. Printed stocks shall be registered stocks signed or stamped by the directors representing the Company. Such stocks shall be numbered , and certified by the law prior to issuance.

Article 6-1: (Deleted)

Article 7: The Company's handling of its shareholders services shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" prescribed by the competent securities authority's.

Article 8: (Deleted)

Article 9: (Deleted)

Article 10: The transfer of shares shall not be registered within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for distribution of dividends, bonus or other benefits.

### **Section 3. Shareholders' Meeting**

Article 11: The Company's shareholders' meetings consist of the following:

1. General shareholders' meeting, shall be held once a year and within six (6) months after close of each fiscal year.
2. Special shareholders' meeting, may be convened pursuant to laws when necessary.

Unless otherwise provided for in other laws, a shareholders' meetings shall be convened by the Board of Directors.

Article 12: Unless otherwise provided for in laws or the Articles, each of shares held by each shareholder shall have the right to one (1) vote. Where any shareholder fails to attend a shareholders' meeting, he/she/it may appoint a proxy, pursuant to the Company Act and "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies", to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the shareholders present, who represent more than a majority of the total issued shares. The voting power at a shareholders' meeting of the Company may be exercised by way of electronic transmission.

A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended said shareholders' meeting in person. The related matters shall be implemented in accordance with laws.

Article 14: Unless otherwise provided in the Company Act, a shareholders' meeting shall be chaired and convened by the Company's Chairman of Board. Where the Chairman is absent, the Chairman shall appoint a proxy to act on behalf of him/her.

A shareholders' meeting shall be proceeded in accordance with the Company's Parliamentary Rules for Shareholders' Meetings. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

A shareholders' meeting shall be proceeded in accordance with the Company's Parliamentary Rules for Shareholders' Meetings.

#### **Section 4. Directors and Audit Committee**

Article 15: The Board of Directors has 9 to 11 seats. The candidate nomination system shall apply to the directorial election for the meeting of shareholders to elect directors among the nominated candidates.

Article 15-1: The directors referred to in the preceding Article shall include at least three (3) independent directors.

The professional qualifications, shares held, restrictions on concurrent positions held, method of nomination and election, and other matters for compliance with respect to independent directors shall be governed by the competent securities authority's related regulations.

Article 15-2: The Company shall establish an Audit Committee pursuant to the Securities and Exchange Act, which shall consist of all independent directors of the Company. The Audit Committee or the committee members shall be responsible for exercising a supervisor's power prescribed by the Company Act, Securities and Exchange Act, and other related laws.

Article 15-3: The Company's Board of Directors may establish other functional committees. The articles of association thereof shall be established by the Board of Directors.

Article 16: The Chairman of the Board of Directors shall be elected from among the directors by a majority vote at a directors' meeting attended by over two-thirds of the directors, pursuant to Article 208 of the Company Act. The Chairman of the Board of Directors shall externally represent the Company and shall implement the resolutions made by shareholders' meetings and directors' meetings. A director may authorize another director to attend the directors' meeting on behalf of him/her pursuant



to Article 205 of the Company Act. It shall be stated the scope of authorization. A director may accept the appointment to act as the proxy of one other director only. The total shares of the Company's registered share certificates held by the whole directors shall be no less than the proportion prescribed by the Securities and Exchange Act.

Article 17: Unless otherwise provided for in laws or orders, directors' meetings shall be convened and chaired by the Chairman. Where the Chairman is absent, the Chairman shall appoint a director to act on behalf of him/her. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. Resolutions at a directors' meeting shall, unless otherwise provided for in Company Act or other laws, be adopted by a majority of eligible votes of the directors at a meeting attended by a majority of the whole directors.

Article 18: The functions of the Board of Directors:

1. Decide the business policy;
2. Review budget and final accounts;
3. Review important regulations;
4. Draft the allocation of earnings or covering of loss;
5. Draft the increase or decrease in capital ;
6. Exercise the powers granted pursuant to laws and Articles of Incorporation and by a shareholders' meeting.

Article 19: The convener shall notify each director of the agenda within seven (7) days prior to the meeting. However, in the case of emergency, the meeting may be convened at any time.  
A directors' meeting may be convened in writing or by electronic transmission .

Article 20: The amounts of remuneration to directors shall be determined by the directors' meeting based on the rate prevailing in fellow companies and the directors' participation in and contribution to the Company's operation, regardless of whether or not the Company operates of profit. If a director serves other position concurrently in the Company, he/she may be remunerated with salary according to general standard.

Article 21: The Board of Directors has set up a Secretariat of the Board dedicated to handling the affairs related to the Board of Directors.

#### **Section 5. Managerial Personnel and Personnel**

Article 22: Job title, appointment, discharge and remuneration of the Company's managerial personnel, if any, shall be decided by a majority of the directors present at a meeting attended by a majority of the whole directors.

- Article 23: The Company's managerial personnel shall process the Company's routine affairs per the resolution made by a directors' meeting.
- Article 23-1: The Company may purchase liability insurance against the damages to be borne by directors and officers with respect to the scope of business carried out by them during their term of office.

#### **Section 6. Final Accounts/ Allocation of Earnings**

- Article 24: The Company's fiscal year shall commence from January 1 until December 31 of each year. The Board of Directors shall prepare the following reports at the end of each fiscal year and send them to the general shareholders' meeting for recognition:
- Business report;
  - Financial statements;
  - Motion for allocation of earnings or covering of loss.
- Article 25: If the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance.
- Said compensation to employees may be allocated in the form of shares or in cash, including the employees of parents or subsidiaries of the Company's subsidiaries meeting certain specific requirements entitled to receive shares or cash. The specific requirements shall be defined by the Board of Directors.
- If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.
- As the industry which the Company is engaged in refers to a matured industry, when resolving to allocate earnings, in consideration of the R&D needs and diversified business, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable

earnings per share is less than NT\$0.1.

Article 26: The Company's articles of association and enforcement rules thereof shall be established separately.

Article 27: Any matters not covered herein shall be implemented in accordance with the Company Act and related laws of the R.O.C.

Article 28: The Articles of Incorporation was established on December 4, 1959. (following content omitted) 54th amendments hereto were made on June 24, 2019.

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

# Appendix 3

## Taita Chemical Company, Limited

### Rules for Election of Directors

#### ( Before Amendment )

Amended on June 24, 2019

Article 1: The Company's directors shall be elected in accordance with the Rules.

Article 2: Election of the Company's directors shall be conducted at a shareholders' meeting.

Article 3: Unless otherwise provided in related laws, the Company's directors shall be elected by the shareholders' meeting from the name list of candidates.

Article 4: Quota of the Company's directors shall be based on the quota defined in the Company's Articles of Incorporation and passed by the Board of Directors.

Article 5: The election of the Company's directors shall adopt an open cumulative voting system. In the process of electing directors at a shareholders' meeting. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The votes which is cast on the site at the shareholders' meeting. Attendance card numbers printed on the ballots may replace the names of voting shareholders. The voters' equity shall be based on the Company's roster of shareholders. Election of the Company's independent directors and non-independent directors shall adopt the candidate nomination system referred to in Article 192-1 of the Company Act.

Article 6: The Company's independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elected. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

The votes referred to in Paragraph 1 shall be calculated based on the votes cast at the shareholders' meeting plus e-votes.

For the e-voting result referred to in the preceding paragraph, an entity which meets Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be

commissioned to verify the shareholders' identity and votes and certify the statistics of votes prior to the shareholders' meeting.

Article 7: The Board of Directors shall prepare ballots to be cast at the shareholders' meeting. The ballots shall be affixed with the Company's official seal, as well as the voters' attendance card number and number of votes.

For the election of the Company's directors, shareholders may choose to exercise their voting right in electronic form or by balloting on the site.

Shareholders who choose to exercise their voting right in an electronic form shall exercise the right on the e-voting platform designated by the Company.

Article 8: The chairperson shall designate several monitoring and counting personnel prior to the election to perform their duty.

Article 9: The ballot box and lot-drawing box at the shareholders' meeting shall be prepared by the Company and inspected by the monitoring personnel openly before the voting or lot drawing.

Article 10: The voters shall complete the relevant information based on the name list of candidates identified in the shareholders' meeting handbook. Each ballot may enter only one candidate. When the candidate is a shareholder, please enter his/her account number and account name; otherwise, please enter the candidate's name and ID No. When the candidate is a governmental organization or juristic person, the name of the governmental organization or juristic person shall be entered or both the name of the governmental organization or juristic person and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered. Shareholders may enter their seals to replace completion of the information about candidates referred to in the preceding paragraph.

Article 11: A ballot is invalid under any of the following circumstances at the shareholders' meeting:

- I. The ballot adopted is not that prepared pursuant to the Rules.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable.
- IV. Names and related information of the candidates, or the number of voting rights allotted is altered.
- V. The check shows that the information completed pursuant to the preceding Article is inconsistent with the information related to the nominated candidate.
- VI. Other words or marks are entered in addition to the information completed pursuant to the preceding Article and the number of

voting rights allotted.

VII. The candidate identified is not a candidate who is nominated, or the quota of candidates exceed the number of candidates to be elected.

VIII. Total of voting rights allotted exceed the number of votes held by voters.

Where the shareholders exercise their votes in an electronic form, the invalid ballots shall be identified pursuant to the Rules and also the related laws promulgated by the competent authority.

Article 12: Where the total of voting rights allotted are less than the number of votes held by the voters, the decreased votes shall be waived.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the results of calculation of e-voting, shall be announced by the chairperson on the site.

Article 14: The Company shall issue notifications to the persons elected as directors.

Article 15: The ballots for the election cast on the site, together with the e-voting materials, shall be sealed with the signatures/seals of the monitoring personnel and kept by the Company in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16: Any matters not covered herein shall be implemented in accordance with the Company Act, the Company's Articles of Incorporation, and other related laws.

Article 17: The Rules shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended.

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

## Appendix 4

### Taita Chemical Company, Limited

#### Stake of Directors

Title	Name	Stake
Chairperson	Wu, Yi-Gui ( Representative of Union Polymer International Investment Corporation )	146,263,260
Director	Ma, Yi-kung ( Representative of USIFE Investment Co., Ltd. )	1,415,368
Director	Wu, Pei-Chi (Representative of Union Polymer International Investment Corporation)	146,263,260
Director	Ying, Pao-Lo ( Representative of USIFE Investment Co., Ltd. )	1,415,368
Director	Ke, Yi-Shao ( Representative of Taiwan Union International Investment Corporation )	8,854,995
Independent Director	Chen, Tyan-Wen	0
Independent Director	Way, Yung-Do	0
Independent Director	Lee, Kuo-Shiang	0
Independent Director	James Yuan	0
Total Stake of Directors		156,533,623
Stake by Law of Directors		15,903,474

Note: 1. The said stake is the number of shares registered in the List of Shareholders dated by the book due date (April 1) of the 2023 AGM.

2. The total issued shares of TTC are 397,586,848 shares.

## Appendix 5

**The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE** : No estimates should be disclosed as no financial forecast was made for 2023.

Item		Year	2023 (Estimates)
Beginning paid-in capital			NT\$3,975,868,480
Stock dividend of the year (Note 1)	Cash dividend per share		NT\$0.5
	Stock dividend per share for capitalization with earnings.		0 share
	Stock dividend per share for capitalization with capital reserve.		0 share
Impact on business performance	Operating income		N/A (Note 2)
	Rate of increase (decrease) of operating income YOY		
	Net profit after tax		
	Rate of increase (decrease) of net profit after tax YOY		
	EPS		
	Rate of increase (decrease) of EPS YOY		
	Average ROI (reciprocal of average price-earnings ratio (PER))		
Proposed EPS and PER	If issuing dividends in cash for capitalization with earnings	Proposed EPS	N/A (Note 2)
		Proposed annual average ROI	
	If no capitalization with legal reserve	Proposed EPS	
		Proposed annual average ROI	
	If issuing dividends in cash for capitalization with earnings without capitalization with legal reserve	Proposed EPS	
		Proposed annual average ROI	

Note 1: Dividend distribution for 2022 is shown according to the profit distribution proposal resolved by the Board on March 3, 2023.

Note 2: TTC does not conduct open financial forecast of any kind, and the information relating to the impact on business performance, proposed EPS and PER are not applicable.

1. The company shall present all basic assumptions for estimates or proposed data.
2. Proposed EPS for issuing dividends in cash for capitalization with earnings.



= [Net profit after tax – Imputed interest for cash dividends\* x (1 – Tax rate)] ÷ [**Total Issued Shares by End of Year – Number of Shares with Dividends\*\***]

Imputed interest for cash dividends\* = Amount of capitalization with earnings x General interest rate for one-year loan.

Number of Shares with Dividends\*\*: The number of shares increased from the stock dividends in the previous year.

3. Annual PER: Annual Average Market Price Per Share ÷ EPA in the Annual Financial Statement.

Chairman :

Manager :

Case Officer :

## **Appendix 6**

### **Description of shareholders proposals :**

1. Referring to Article 172-1 of the Company Act:  
“Shareholder(s) holding one per cent (1%) or more of the total number of outstanding shares of a company may make a proposal for discussion at a general meeting of shareholders, provided that only one matter shall be allowed in each single proposal of not more than 300 words.”
2. The acceptance period of proposals from shareholders for the 2023 AGM is from March 26, 2023 to April 5, 2023. Such information was disclosed on the Market Observation Post System by law on March 15, 2023.
3. No proposal from shareholder was received during the said period.