Stock Code: 1309

Taita Chemical Company, Limited Handbook for the

2021 Annual General Meeting of Shareholders

Date: May 31, 2021

Location: 5F., No.2, Yuanshan Rd., Niaosong Dist.,

Kaohsiung City, Taiwan (R.O.C.)

The Grand Hotel Kaohsiung, Po Shou Hall

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Taita Chemical Company, Limited Procedure of the 2021 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 (I)
- 6. Elections
- 7. Matter for Discussion (II)
- 8. Extemporary Motions
- 9. Adjournment

Taita Chemical Company, Limited Year 2021

Agenda of Annual General Meeting of Shareholders

Date: May.31, 2021 (Monday) AM 09:00

Location: 5F., No.2, Yuanshan Rd., Niaosong Dist.,

Kaohsiung City, Taiwan (R.O.C.)

The Grand Hotel Kaohsiung, Po Shou Hall

1. Report Items:

- (1) To report 2020 operating results.
- (2) To report Audit Committee's Review Reports of 2020 Financial Statement.
- (3) To report 2020 remuneration of directors and employees.
- 2. Matters for Ratification and Discussion (I)
 - (1) To ratify 2020 Business Report and Financial Statements.
 - (2) To ratify 2020 earnings distribution.
 - (3) To approve the capitalization on part of dividends.
 - (4) To approve the amendment to the Parliamentary Rules for Shareholders' Meetings.
- 3. Elections

To elect nine directors.

4. Matters for Discussion (II)

To approve the permission of directors for competitive actions.

- 5. Extemporary Motions
- 6. Adjournment

I. Report Items:

Report 1

To report 2020 operating results.

Taita Chemical Company, Limited. 2020 Business Report

Our 2020 net revenue reduced by about 10% at NT\$1.225 billion from NT\$12.219 billion in 2019 to NT\$10.994 billion, with a budget accomplishment rate of 104%, profit before tax of NT\$2.258 billion, profit after tax of NT\$1.92 billion, and EPS at NT\$5.58.

In early 2020, many cities were locked down due to COVID-19, and sales volume fell. Fortunately, sales increased continuously and spread also expanded as driven by the market demand for ABS/PS since Q2. From the second half of 2020, full production and sales were achieved in the overall sales of products of various products. Due to the YOY superior spread, profit increased significantly from last year. The performance of individual product lineups is as follows:

The production and sales volumes of ABS increased by about 1,000 MT from 2019 to 123,000 MT, with a profit of NT\$1.1 billion.

The production and sales volumes of GPS/IPS increased by 6,000 MT and 4,000 MT from 2019 to 98,000 MT, with a profit of NT\$466 million.

The production and sales volumes of EPS increased by 4,000 MT and 3,000 MT from 2019 to 53,000 MT, with a profit of NT\$10 million.

The production and sales volumes of ABS/PS increased by 12,000 MT and 8,500 MT from 2019 to 274,000 MT, an increase compared to 2019 with a budget accomplishment rate of 103%. Revenues reduced by NT\$346 million to NT\$10.501 billion compared to 2019, with an operating income of NT\$1.579 billion.

The production volume of glass wool was 8,700 MT, and the sales volume combing with imported rock wool was 12,500 MT. Revenue increased by NT\$4 million in 2019 to NT\$438 million, with a profit of NT\$38 million.

The sales volume of flexographic products was 63,000 JIG, and revenue was NT\$54 million, with a loss of NT\$7million.

The operating income of the above major products plus the income from raw material sales at NT\$2 million totaled NT\$1.61 billion.

Non-operating income was share of profit accounted for using equity method NT\$670 million `net rental income NT\$28 million `foreign exchange loss NT\$64 million and other non-operating income NT\$14 million. The total non-operating income was NT\$648 million.

Looking ahead to 2021, we will continue to deal with the impacts of COVID-19. Besides setting full production and sales as a key annual target, we will continue improving and optimizing the client portfolio and product portfolio. In ABS, we

will increase the proportion of direct customers. In PS, we will increase the sales proportion of products in injection grades with higher profit. In EPS, we will continue to increase the sales proportion of products in general grade with higher profit. In addition, we will continue with the control over the stock of raw materials and finished products to achieve sales maximization and profit maximization.

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 2020 Financial Statement.

Taita Chemical Company, Limited Audit Report

This Audit Committee has audited the 2020 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 2021 Annual General Meeting of Shareholders

Audit Committee, Taita Chemical Company, Limited

Independent Director: Chen, Tyan-Wen

Independent Director: Ma, Yi-kung

Independent Director: James Yuan

March 23, 2021

Report Items:

Report 3

To report 2020 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 the Company.
 - 2.The compensation for employees in 2020 will be distributed in cash at 1%, NT\$22,812,256, of the 2020 earnings, and no compensation will be distributed to directors.

II. Matters for Ratification and Discussion (I):

Proposal 1

Proposed by the Board

To ratify 2020 Business Report and Financial Statements.

- Description: 1. The 2020 financial statements (including consolidated and individual financial statements) approved by the Board on March 5, 2021 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 2020 Business Report and p.10-39 for the CPA Audit Report and the financial statements.

Resolution:

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Taita Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taita Chemical Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the financial statements for the year ended December 31, 2020 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. We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020 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 Financial Statements section of our report. We are

independent of the Company 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 our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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 we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

<u>Allowance for Impairment Loss of Accounts Receivable</u>

As of December 31, 2020, the carrying amount of notes and accounts receivable was NT\$2,218,128 thousand (i.e., the gross amount of notes and accounts receivable of NT\$2,275,272 thousand with a deduction of allowances for impairment of NT\$57,144 thousand) which accounted for 24% of the total assets. The Group's estimation of expected credit loss is based on customers' credit quality, the Group's historical experience, existing market conditions and forward looking estimates. The estimation of expected credit loss involves critical judgment and estimation uncertainty. Thus, we identified the estimation of allowance for impairment loss of notes and accounts receivable as one of the key audit matters.

For the significant accounting policies and critical accounting judgments and key sources of estimation uncertainty related to the estimation of allowance for impairment loss of accounts receivable, refer to Notes 4, 5 and 10 to the consolidated financial statements.

We performed the corresponding audit procedures, for the estimation of allowance for impairment loss of accounts receivable, as follows:

- 1. We understood and evaluated the Group's internal control procedures on the allowance for impairment loss of accounts receivable.
- 2. We evaluated the reasonableness of classification and allowance percentage for credit losses, which were assumed by the management's judgment on customers' credit quality, aging schedule of notes and accounts receivable and the amount overdue. We sampled and inspected the aging schedule of notes and accounts receivable to verify

the correctness and reasonableness of the computation, and we also compared the distribution of the aging schedule of notes and accounts receivable between the current year and the previous year.

3. We examined the amounts written off during the current year and the previous year and also checked the amounts received in the subsequent period to evaluate the recoverability of accounts receivable.

Sales revenue recognition for specific products

The Group's sales volume and gross profit of general-purpose polystyrene (GPS) have continued to grow in the past three years. The sales revenue of the GPS in 2020 was NT\$2,924,936 thousand, accounting for approximately 19% of the annual consolidated sales revenue. Whether the sales revenue of the GPS is correctly recognized while fulfilling the contract obligation has a significant impact on the Group's consolidated financial statement. Thus, we identified the estimation of sales revenue recognition as one of the key audit matters.

For the significant accounting policies and relevant disclosed information related to the sales revenue recognition, refer to Notes 4 and 24 of the standalone financial statements.

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

- 1.We understood and evaluated the Group's internal control procedures effectiveness on the revenue recognition, as well as the appropriateness of the revenue recognition accounting policies adopted by the management.
- 2. We sampled and audited the transaction documents related to the sales revenue, including purchase orders, shipping orders, export documents and payment information, to confirm the authenticity of the sales revenue recognition.
- 3.We examined the occurrence of sales returns and discounts after the balance sheet dates, and checked for any abnormalities in the payment collection after the balance sheet dates.

Other Matters

We have also audited the parent company only financial statements of Taita Chemical Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified report.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

- circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our

auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiu-Chun Huang and Cheng-Chun Chiu.

Deloitte & Touche Taipei, Taiwan Republic of China

March 22, 2021

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed by the CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu 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 SUBSIDIARIES CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

		December 31, 2	2020	December 31, 2019		
Code	ASSETS	Amount	%	Amount	%	
	CURRENT ASSETS					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 2,458,506	26	\$ 1,312,018	16	
1110	Financial assets at fair value through profit or loss - current (Notes 4					
	and 7)	361,424	4	306,472	4	
1140	Financial assets at amortized cost - current (Notes 4, 9 and 31)	3,000	-	3,000	-	
1150	Notes receivable (Notes 4 and 10)	342,964	4	287,861	4	
1170	Accounts receivable (Notes 4, 5 and 10)	1,875,137	20	1,931,006	24	
1180	Accounts receivable from related parties (Notes 4, 5, 10 and 30)	27	-	9,394	-	
1200	Other receivables (Notes 4 and 10)	65,473	1	67,739	1	
1210	Other receivables from related parties (Notes 4, 10 and 30)	1,748	-	7,735	_	
1220 130X	Current tax assets (Notes 4 and 26)	740.953	8	2,560	9	
1410	Inventories (Notes 4, 5 and 11) Prepayments and other current assets	740,852 92,989	0	746,284 127,411		
1410 11XX	Total current assets	5,942,120	$\frac{1}{64}$	<u>127,411</u> 4,801,480	<u>2</u> 60	
11//	Total current assets	<u> </u>		4,001,400		
	NON-CURRENT ASSETS					
1520	Financial assets at fair value through other comprehensive income -					
1020	non-current (Notes 4 and 8)	341,497	4	209,305	3	
1550	Investments accounted for using the equity method (Notes 4, 5 and	011,177	1	207,000	J	
1000	13)	604,638	7	517,498	7	
1600	Property, plant and equipment (Notes 4, 14, 18, 30 and 31)	2,076,043	22	2,174,859	27	
1755	Right-of-use assets (Notes 4, 15, 18, 30 and 31)	79,351	1	84,631	1	
1760	Investment properties (Notes 16, 18 and 31)	108,178	1	108,178	1	
1780	Other intangible assets (Note 17)	5,406	-	7,448	_	
1840	Deferred tax assets (Notes 4, 5 and 26)	64,582	1	77,542	1	
1990	Other non-current assets (Note 31)	24,055	-	23,800	<u>-</u> _	
15XX	Total non-current assets	3,303,750	36	3,203,261	40	
1XXX	TOTAL	<u>\$ 9,245,870</u>	<u>100</u>	<u>\$ 8,004,741</u>	100	
Code	LIABILITIES AND EQUITY					
	CURRENT LIABILITIES					
2100	Short-term borrowings (Notes 14, 15, 18 and 31)	\$ 150,000	2	\$ 1,197,082	15	
2120	Financial liabilities at fair value through profit or loss (FVTPL) -					
24.70	current (Note 7)	434	-	- -	-	
2170	Accounts payable (Note 19)	1,179,603	13	682,883	8	
2180	Accounts payable from related parties (Notes 19 and 30)	498	-	822	-	
2200 2220	Other payables (Note 20) Other payables from related parties (Note 30)	408,773 4,178	4	301,532 7,623	4	
2230	Current tax liabilities (Notes 4 and 26)	392,544	$\overline{4}$	57,749	1	
2280	Lease liabilities - current (Note 4, 15 and 30)	4,514	4	4,464	1	
2365	Refund liabilities - current (Note 4)	879	_	909	_	
2399	Other current liabilities	<u>28,754</u>	_	25,630	_	
21XX	Total current liabilities	2,170,177		2,278,694	28	
217.01	Total carrent madrities					
	NON-CURRENT LIABILITIES					
2540	Long-term borrowings (Notes 14, 16, 18 and 31)	300,000	3	1,000,000	12	
2570	Deferred tax liabilities (Notes 4 and 26)	170,735	2	144,973	2	
2580	Lease liabilities - non-current (Note 4, 15 and 30)	42,938	1	47,451	1	
2640	Net defined benefit liabilities - non-current (Note 22)	201,796	2	229,914	3	
2670	Other non-current liabilities	4,418	_	3,946	<u>-</u> _	
25XX	Total non-current liabilities	719,887	8	1,426,284	18	
2XXX	Total liabilities	2,890,064	<u>31</u>	<u>3,704,978</u>	<u>46</u>	
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)					
2110	Share capital	2 442 242	0.7	2 2 4 2 0 4 0	40	
3110	Ordinary shares	3,442,310	<u>37</u>	3,342,048	<u>42</u>	
3200	Capital surplus	<u>816</u>		<u>810</u>	_	
3310	Retained earnings Legal reserve	81,781	1	42,017		
3320	Special reserve	308,061	1	308,061	- 4	
3350	Unappropriated earnings	2,326,852	4 25	647,893	4	
3300	Total retained earnings	<u>2,326,632</u> 2,716,694	<u> 20</u>	997,971	<u> </u>	
3400	Other equity	195,986	25 30 2	(41,066)	<u>8</u> 	
0.100	o mor equity		<u></u>	(
3XXX	Total Equity	6,355,806	_69	4,299,763	_54	
	. 17					
	TOTAL	<u>\$ 9,245,870</u>	<u>100</u>	\$ 8,004,741	<u>100</u>	

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

TAITA CHEMICAL CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2020		2019	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 21, 24 and 30)	\$ 15,498,381	100	\$ 17,672,204	100
5110	COST OF GOODS SOLD (Notes 11, 14, 22, 25 and 30)	12,375,109	_ 80	16,426,138	93
5900	GROSS PROFIT	3,123,272	20	1,246,066	7
6100	OPERATING EXPENSES (Notes 22, 25 and 30) Selling and marketing	F14 070	2	E 2 2 280	2
6200	expenses General and administrative	514,070	3	523,389	3
6300	expenses Research and	167,216	1	182,964	1
	development expenses	20,523		25,048	_
6000	Total operating expenses	701,809	4	731,401	4
6900	PROFIT FROM OPERATIONS	2,421,463	<u>16</u>	<u>514,665</u>	3
	NON-OPERATING INCOME AND EXPENSES (Notes 7, 13, 16, 25 and 30)				
7100 7010 7020	Interest income Other income Other gains and losses	33,052 54,889 (63,253)	- - -	25,213 51,434 (15,851)	- - -
70607510	Share of profit of associates Finance costs	56,841 (<u>21,003</u>)	- 	33,834 (<u>51,091</u>)	-

(Continued)

		2020		2019	
Code		Amount	%	Amount	%
7000	Total non- operating income and				
	expenses	60,526		43,539	_
7900	PROFIT BEFORE INCOME TAX	2,481,989	16	558,204	3
7950	INCOME TAX EXPENSE (Notes 4 and 26)	562,171	4	160,227	1
8200	NET PROFIT FOR THE YEAR	1,919,818	12	<u>397,977</u>	2
8310 8311	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 13, 22, 23 and 26) Items that will not be reclassified subsequently to profit or loss: Remeasurement of				
8316	defined benefit plans Unrealized gain on investments in equity instruments at fair value through other comprehensive	(1,500)	-	3,785	-
8320	income Share of the other comprehensive income (loss) of associates accounted for using the equity method - unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	132,192 36,175	1	30,287 5,357	-

		2020		2019	
Code		Amount	%	Amount	%
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method -				
8349	remeasurement of defined benefit plans Income tax relating to items that will not be reclassified subsequently to	628	-	(312)	-
	profit or loss	300 167,795	<u>-</u> 1	(<u>910</u>) 38,207	<u> </u>
8360	Items that may be reclassified subsequently to profit or loss:		<u> </u>		
8361	Exchange differences on translating the financial statements	05.770	1	(71.2(2)	
8371	of foreign operations Share of the other comprehensive loss of associates accounted for using the equity method - exchange differences on translating the financial statements	85,673	1	(71,262)	-
8399	of foreign operations Income tax relating to items that may be reclassified subsequently to	160	-	(3,182)	-
0000	profit or loss	(<u>17,148</u>) <u>68,685</u>	<u> </u>	14,619 (<u>59,825</u>)	_ _ -
8300	Other comprehensive loss for the year, net of income				
	tax	236,480	2	(21,618)	-
				(Cor	ntinued)

		2020		2019	
Code	_	Amount	%	Amount	%
8500	TOTAL				
	COMPREHENSIVE				
	INCOME FOR THE				
	YEAR	<u>\$ 2,156,298</u>	<u>14</u>	<u>\$ 376,359</u>	2
	EARNINGS PER SHARE				
	(Note 27)				
9710	Basic	<u>\$ 5.58</u>		<u>\$ 1.16</u>	
9810	Diluted	<u>\$ 5.57</u>		<u>\$ 1.15</u>	

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

TAITA CHEMICAL CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

						Equity Att	ributable to Owne	rs of the Compa	nny (Note 23)			•		,
		Share (Capital		Capital Surplus			Retaine	d Earnings			Other Equity		
<u>Code</u> A1	DALANCE ATIANUADV	Shares (In Thousands)	Amount	Long-Term Equity Investment	Unpaid Dividends	Total	Legal Reserve	Special Reserve	Unappropriate d Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
AI	BALANCE AT JANUARY 1, 2019	327,652	\$3,276,518	\$ 483	\$ 296	\$ 779	\$ 21,220	\$ 308,061	\$ 402,112	\$ 731,393	(\$ 134,501)	\$ 117,768	(\$ 16,733)	\$ 3,991,957
A3	Effect of retrospective application					_	<u>-</u>		(3,054)	(3,054)				(3,054)
A5	BALANCE AT JANUARY 1, 2019 AS RESTATED	327,652	3,276,518	483	296	779	21,220	308,061	399,058	728,339	(134,501)	117,768	(16,733)	3,988,903
B1	Appropriation of 2018 earnings Legal reserve	_	_	_	_	_	20,797	-	(20,797)	_	_	_	_	_
B5 B9	Cash dividends distributed by the Company Share dividends	-	-	-	-	-	-	-	(65,530)	(65,530)	-	-	-	(65,530)
	distributed by the Company	6,553	65,530	-	-	-	-	-	(65,530)	(65,530)	-	-	-	-
T1	Changes in capital surplus	-	-	31	-	31	-	-	-	-	-	-	-	31
D1	Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	397,977	397,977	-	-	-	397,977
D3	Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax			-			<u>-</u>	_	<u>2,715</u>	2,715	(59,825_)	35,492	(24,333)	(21,618)
D5	Total comprehensive income (loss) for the year ended December 31, 2019			<u>-</u>	<u> </u>				400,692	400,692	(59,825_)	35,492	(24,333)	<u>376,359</u>
Z1	BALANCE AT DECEMBER 31, 2019	334,205	3,342,048	514	296	810	42,017	308,061	647,893	997,971	(194,326)	153,260	(41,066)	4,299,763
	Appropriation of 2019 earnings													
B1 B5	Legal reserve Cash dividends distributed	-	-	-	-	-	39,764	-	(39,764)	-	-	-	-	-
В9	by the Company Share dividends	-	-	-	-	-	-	-	(100,261)	(100,261)	-	-	-	(100,261)
	distributed by the Company	10,026	100,262	-	-	-	-	-	(100,262)	(100,262)	-	-	-	-
T1	Changes in capital surplus	-	-	6	-	6	-	-	-	-	-	-	-	6
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,919,818	1,919,818	-	-	-	1,919,818
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax			<u>=</u>	-		<u>-</u>	<u>-</u> _	(<u>572</u>)	(<u>572</u>)	68,685	168,367	237,052	236,480
D5	Total comprehensive income (loss) for the year ended December 31, 2020		<u>-</u>	_	<u>-</u>	_		_	<u>1,919,246</u>	1,919,246	68,685	168,367	237,052	2,156,298
Z1	BALANCE AT DECEMBER 31, 2020	344,231	\$3,442,310	<u>\$ 520</u>	<u>\$ 296</u>	<u>\$ 816</u>	<u>\$ 81,781</u>	\$ 308,061	<u>\$ 2,326,852</u>	\$ 2,716,694	(\$ 125,641)	\$ 321,627	<u>\$ 195,986</u>	<u>\$ 6,355,806</u>

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

TAITA CHEMICAL CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code		(m m	2020	ew Taiv	2019
	CASH FLOWS FROM OPERATING ACTIVITIES				
A10000	Profit before income tax	\$	2,481,989	\$	558,204
A20010	Adjustments for:				
A20100	Depreciation expenses		203,757		207,777
A20200	Amortization expenses		2,042		2,220
A20300	Reversal of expected credit loss	(5,334)	(6,888)
A20400	Net gain on fair value change of				
	financial assets and liabilities at				
	fair value through profit or loss	(22,139)	(40,844)
A20900	Finance costs		21,003		51,091
A21200	Interest income	(33,052)	(25,213)
A21300	Dividend income	(7,555)	(4,617)
A22300	Share of profit of subsidiaries and				
	associates	(56,841)	(33,834)
A22500	Loss on disposal of property, plant				
	and equipment		19,635		667
A23200	Loss on disposal of property, plant				
	and equipment, using equity				
	method		173		-
A23700	Reversal of write-down of				
	inventories	(359)	(55,133)
A23800	Impairment loss recognized on				
	property, plant and equipment		22,078		60,265
A24100	Net gain on foreign currency				
	exchange			(2)
A29900	Recognition of refund liabilities		7,576		7,535
A30000	Changes in operating assets and				
A 04445	liabilities				
A31115	Financial assets at fair value	,	22.270)		100 505
A 01100	through profit or loss	(32,379)		138,537
A31130	Notes receivable	(51,664)		376,775
A31150	Accounts receivable		62,381		282,905
A31160	Accounts receivable from related		0.267		22 492
A 21100	parties		9,367		23,482
A31180	Other receivables		12,190		38,964
A31190	Other receivables from related		5,989	1	2 709 \
	parties		5,707	(3,798)

(Continued)

<u>Code</u>		2020	2019
A31200	Inventories	6,595	467,766
A31230	Prepayments and other current		
	assets	36,980	(52,310)
A32150	Accounts payable	495,096	(242,079)
A32160	Accounts payable from related		
	parties	(324)	432
A32180	Other payables	103,812	522
A32190	Other payables from related		
	parties	(3,883)	434
A32230	Other current liabilities	2,297	(12,680)
A32240	Net defined benefit liabilities	(29,618)	(28,527)
A33000	Cash generated from (used in)		
	operations	3,249,812	1,711,651
A33100	Interest received	23,484	18,554
A33300	Interest paid	(21,835)	(51,604)
A33500	Income tax paid	(205,187)	(75,869)
AAAA	Net cash generated from	,	,
	operating activities	3,046,274	1,602,732
	CASH FLOWS FROM INVESTING		
	ACTIVITIES		
B00030	Proceeds from capital reduction of		
	financial assets at fair value		
	through other comprehensive		
	income	-	3,827
B00040	Purchase of financial assets at		,
	amortized cost	(149,263)	(126,659)
B00050	Proceeds from disposal of available-	, ,	, ,
	for-sale financial assets	149,826	219,799
B02700	Payments for property, plant and		
	equipment	(136,966)	(93,197)
B02800	Proceeds from disposal of property,		
	plant and equipment	2,381	2,166
B03700	Increase in refundable deposits	(254)	(155)
B07600	Dividends received	12,778	19,683
B09900	Recovery of the liquidated shares of		
	investee company using the equity		
	method	<u> </u>	
BBBB	Net cash generated from (used		
	in) investing activities	(<u>120,224</u>)	<u>25,464</u>
	CASH FLOWS FROM FINANCING		
	ACTIVITIES		
C00100	Decrease in short-term borrowings	(1,014,593)	(791,621)
			(Continued)
			(Communa)

Code			2020		2019
C00500	Decrease in short-term bills payable		-	(20,000)
C01600	Proceeds from long-term borrowings		1,000,000	·	850,000
C01700	Repayments of long-term				
	borrowings	(1,700,000)	(850,000)
C04020	Repayment of the principal portion				
	of lease liabilities	(4,463)	(4,416)
C04300	Increase (decrease) in other non-				
	current liabilities		418	(1,253)
C04500	Cash dividends	(_	99,946)	(65,50 <u>1</u>)
CCCC	Net cash used in financing				
	activities	(_	1,818,584)	(882,791)
DDDD	EFFECTS OF EXCHANGE RATE				
	CHANGES ON THE BALANCE OF				
	CASH AND CASH EQUIVALENTS				
	HELD IN FOREIGN CURRENCIES	_	39,022	(36,058)
EEEE	NET INCREASE IN CASH AND				
	CASH EQUIVALENTS		1,146,488		709,347
E00100	CASH AND CASH EQUIVALENTS				
	AT THE BEGINNING OF THE				
	YEAR	_	1,312,018		602,671
F00 5 00					
E00200	CASH AND CASH EQUIVALENTS	Φ.	2 450 504	Φ.	1 212 212
	AT THE END OF THE YEAR	<u>\$</u>	<u>2,458,506</u>	<u>\$</u>	1,312,018

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

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed by the CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu 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

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, 2020 and 2019, 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, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements for the year ended December 31, 2020 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. We conducted our audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020 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 Financial Statements section of our report. We are independent of the Company 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 our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters 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 matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2020 are stated as follows:

Allowance for Impairment Loss of Accounts Receivable

As of December 31, 2020, the carrying amount of notes and accounts receivable were NT\$1,471,593 thousand (i.e., the gross amount of notes and accounts receivable of NT\$1,525,324 thousand with a deduction of allowances for impairment of NT\$53,731 thousand) which accounted for 16% of the total assets. The Company's estimation of expected credit loss is based on customers' credit quality, the Company's historical experience, existing market conditions and forward looking estimates. The estimation of expected credit loss involves critical judgment and estimation uncertainty. Thus, we identified the estimation of allowance for impairment loss of notes and accounts receivable as one of the key audit matters.

For the significant accounting policies and critical accounting judgments and key sources of estimation uncertainty related to the estimation of allowance for impairment loss of accounts receivable, refer to Notes 4, 5 and 10 to the consolidated financial statements.

We performed the corresponding audit procedures, for the estimation of allowance for impairment loss of accounts receivable, as follows:

- 1. We understood and evaluated the Company's internal control procedures on the allowance for impairment loss of accounts receivable.
- 2. We evaluated the reasonableness of classification and allowance percentage for credit losses, which were assumed by the management's judgment on customers' credit quality, aging schedule of notes and accounts receivable and the amount overdue. We sampled and inspected the aging schedule of notes and accounts receivable to verify the correctness and reasonableness of the computation, and we also compared the distribution of the aging schedule of notes and accounts receivable between the current year and the previous year.
- 3. We examined the amounts written off during the current year and the previous year and also checked the amounts received in the subsequent period to evaluate the recoverability of accounts receivable.

Sales revenue recognition for specific products

The Comapny's sales volume and gross profit of general-purpose polystyrene (GPS) have continued to grow in the past three years. The sales revenue of the GPS in 2020 was NT\$2,924,936 thousand, accounting for approximately 27% of the annual stand-alone sales revenue. Whether the sales revenue of the GPS is correctly recognized while fulfilling the contract obligation has a significant impact on the Company's stand-alone financial statement. Thus, we identified the estimation of sales revenue recognition as one of the key audit matters.

For the significant accounting policies and relevant disclosed information related to the sales revenue recognition, refer to Notes 4 and 23 of the standalone financial statements.

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

- 1. We understood and evaluated the Company's internal control procedures effectiveness on the revenue recognition, as well as the appropriateness of the revenue recognition accounting policies adopted by the management.
- 2. We sampled and audited the transaction documents related to the sales revenue, including purchase orders, shipping orders, export documents and payment information, to confirm the authenticity of the sales revenue recognition.
- 3. We examined the occurrence of sales returns and discounts after the balance sheet dates, and checked for any abnormalities in the payment collection after the balance sheet dates.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 also:

- 1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 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 the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiu-Chun Huang and Cheng-Chun Chiu.

Deloitte & Touche Taipei, Taiwan Republic of China

March 22, 2021

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed by the CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu 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, 2020 AND 2019

- ((In Thousan	ds of	New	Taiwan	Dollars)	١
(III IIIOUSai	ius oi	INEW	Taiwaii	Donais	1

		Dagamahan 21	\	ands of New Taiwa	,
Code	ASSETS	December 31, Amount	<u> 2020 </u>	December 31, Amount	<u>, 2019</u> %
Couc	CURRENT ASSETS			Timount	
1100 1110	Cash and cash equivalents (Notes 4 and 6) Financial assets at fair value through profit or loss -	\$ 365,769	4	\$ 89,730	1
1136	current (Notes 4 and 7) Financial assets at amortized cost - current (Notes 4, 9	361,424	4	306,472	4
	and 30)	3,000	-	3,000	-
1150	Notes receivable (Notes 4 and 10)	41,267	-	28,859	-
1170 1180	Accounts receivable (Notes 4, 5 and 10) Accounts receivable from related parties (Notes 4, 5, 10 and 29)	1,427,481 2,845	16	1,377,661 67,009	20 1
1200	Other receivables (Notes 4 and 10)	48,732	1	61,195	1
1210	Other receivables from related parties (Notes 4, 10 and 29)	266,680	3	287,197	4
1220	Current tax assets (Notes 4 and 25)	-	-	2,560	-
130X	Inventories (Notes 4, 5 and 11)	572,238	6	546,083	8
1410	Prepayments and other current assets	64,686	<u>1</u>	60,494	1
11XX	Total current assets	3,154,122	<u>35</u>	2,830,260	40
1517	NON-CURRENT ASSETS Financial assets at fair value through other				
1550	comprehensive income - non-current (Notes 4 and 8)	341,491	4	209,299	3
	Investments accounted for using the equity method (Notes 4, 5 and 12)	3,491,198	39	1,907,096	27
1600	Property, plant and equipment (Notes 4, 5, 13, 17, 29 and 30)	1,777,067	20	1,836,939	26
1755	Right-of-use assets (Notes 4, 5, 14 and 29)	46,194	-	50,813	1
1760	Investment properties (Notes 14, 15, 17 and 30)	108,178	1	108,178	2
1780	Intangible assets (Notes 4 and 16)	5,406	-	7,448	-
1840	Deferred tax assets (Notes 4, 5 and 25)	61,139	1	73,866	1
1900 15XX	Other non-current assets (Note 30) Total non-current assets	23,999 5,854,672	<u>-</u> 65	23,738 4,217,377	<u>-</u> 60
1XXX	TOTAL	\$ 9,008,794	100	\$ 7,047,637	100
					
<u>C o d e</u>	LIABILITIES AND EQUITY				
21.00	CURRENT LIABILITIES	ф. 15 0.000	2	ф. 42 0.000	
2100 2120	Short-term borrowings (Note 17) Financial liabilities at fair value through profit or loss	\$ 150,000	2	\$ 420,000	6
0170	(FVTPL) - current (Notes 4 and 7)	434	- 12	-	-
2170 2180	Accounts payable (Note 18) Accounts payable from related parties (Notes 18 and 29)	1,101,978 498	12	606,900 822	9
2200	Other payables (Note 19)	331,379	$\frac{1}{4}$	230,027	3
2220	Other payables from related parties (Note 29)	4,178	-	7,623	-
2230	Current tax liabilities (Notes 4 and 25)	321,203	3	34,467	1
2280	Lease liabilities - current (Notes 4, 14 and 29)	4,514	-	4,464	-
2365	Refund liabilities - current (Note 20)	879	-	909	-
2399	Other current liabilities	20,827		18,695	
21XX	Total current liabilities	1,935,890	21	1,323,907	19
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 13, 15, 17 and 30)	300,000	3	1,000,000	14
2570	Deferred tax liabilities (Notes 4 and 25)	170,735	2 1	144,973	2
2580 2640	Lease liabilities - non-current (Notes 4, 14 and 29) Net defined benefit liabilities - non-current (Note 21)	42,938 201,796	2	47,451 229,914	1 3
2670	Other non-current liabilities	1,629	_	1,629	<i>-</i>
25XX	Total non-current liabilities	717,098	8	1,423,967	20
2XXX	Total liabilities	2,652,988	29	2,747,874	_ 39
	EQUITY (Note 22)				
	Share capital				
3110	Ordinary shares	3,442,310	<u>39</u>	3,342,048	<u>48</u>
3200	Capital surplus	<u>816</u>		810	
3310	Retained earnings Legal reserve	81,781	1	42,017	1
3320	Special reserve	308,061	3	308,061	1 4
3350	Unappropriated earnings	2,326,852	<u> 26</u>	647,893	
3300	Total retained earnings	2,716,694	30	997,971	$\phantom{00000000000000000000000000000000000$
3400	Other equity	195,986	$\frac{\frac{36}{2}}{71}$	$(\frac{41,066}{})$	$ \begin{array}{r} $
3XXX	Total equity	6,355,806	71	4,299,763	61
	TOTAL	\$ 9,008,79 <u>4</u>	<u>100</u>	<u>\$ 7,047,637</u>	<u>100</u>

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

TAITA CHEMICAL CO., LTD. STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(III Thousanus		2020		2019	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4,				
	20, 23 and 29)	\$ 10,993,555	100	\$ 12,219,221	100
5110	COST OF GOODS SOLD				
	(Notes 11, 21, 24 and 29)	<u>8,789,022</u>	<u>80</u>	11,320,955	<u>92</u>
5900	CDOCC DDOELT	2 204 522	20	200 200	0
3900	GROSS PROFIT	2,204,533	20	898,266	8
5910	UNREALIZED GAIN ON				
0,10	TRANSACTIONS WITH				
	SUBSIDIARIES	(419)		(1,123)	
		,		,	
	OPERATING EXPENSES				
	(Notes 10, 21, 24 and 29)				
6100	Selling and marketing				
(200	expenses	459,939	4	449,986	4
6200	General and				
	administrative	110 464	1	110 102	1
6300	expenses Research and	113,464	1	118,102	1
0300	development expenses	20,523	_	25,048	_
6000	Total operating				
	expenses	593,926	5	593,136	5
	1				
6900	PROFIT FROM				
	OPERATIONS	<u>1,610,188</u>	<u>15</u>	304,007	3
	NON-OPERATING				
	INCOME AND				
	EXPENSES (Notes 7, 12,				
7100	15, 24 and 29) Interest income	1,755		9,963	
7010	Other income	50,813	1	44,085	_
7010	Other gains and losses	(63,928)	(1)	3,067	_
7070	Share of profit of	(00,020)	(1)	2,007	
	subsidiaries and				
	associates	670,387	6	124,044	1
7510	Finance costs	(10,802)	<u> </u>	(24,191)	
	(Continued)				

		2020		2019	2019	
Code		Amount	: %	Amount	%	
7000	Total non- operating income and					
	expenses	648,2	<u>25</u> <u>6</u>	156,968	1	
7900	PROFIT BEFORE INCOME TAX	2,258,4	13 21	460,975	4	
7950	INCOME TAX EXPENSE (Note 25)	338,5	<u>95</u> <u>3</u>	62,998	1	
8200	NET PROFIT FOR THE YEAR	1,919,8	<u>18</u> <u>18</u>	397,977	3	
8310	OTHER COMPREHENSIVE LOSS (Notes 8, 12, 21, 22 and 25) Items that will not be reclassified subsequently to profit or loss:					
8311 8316	Remeasurement of defined benefit plans Unrealized gain (loss) on investments in equity instruments at fair value through other	(1,5	00) -	3,785	-	
	comprehensive income	132,1	92 1	29,523	-	

(Continued)

Code Amount % Amount 8320 Share of the other comprehensive income (loss) of subsidiaries and	%
comprehensive income (loss) of	
associates accounted for using the equity method - unrealized gain (loss) on investments in equity instruments at fair value through	
other comprehensive income 36,175 - 6,121 8330 Share of the other comprehensive income (loss) of associates accounted for using the equity method - remeasurement of	-
defined benefit plans 628 - (312) 8349 Income tax relating to items that will not be reclassified subsequently to profit or loss 300 - (910)	-
8360 Items that may be reclassified subsequently to profit or loss:	
Exchange differences on translating the financial statements of foreign operations 85,738 1 (73,095)	_
Share of the other comprehensive loss of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations 95 - (1,349)	_
	tinued)

		2020		2019	
Code		Amount	%	Amount	%
8390	Income tax relating to items that may be reclassified subsequently to				
	profit or loss	(<u>17,148</u>) <u>68,685</u>	<u></u> 1	14,619 (<u>59,825</u>)	<u> </u>
8300	Other comprehensive loss for the year, net of income			(
	tax	236,480	2	(21,618)	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,156,298</u>		<u>\$ 376,359</u>	3
	EARNINGS PER SHARE (Note 26)				
9710 9810	Basic Diluted	\$ 5.58 \$ 5.57		\$ 1.16 \$ 1.15	

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

TAITA CHEMICAL CO., LTD. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

											C) Other Equity (Note 2	2)	,
											Exchange Differences on Translating the Financial Statements of	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensiv		
		Share Capit	al (Note 22)	Long-Term	apital Surplus (Not	te 22)		Retained Earn	ings (Note and 22)		Foreign	e		
Code		Shares (in thousands)	Amount	Equity Investment	Unpaid Dividends	Total	Legal Reserve	Special Reserve	Unapropriated Earningns	Total	Operations	Income	Total	Total Equity
A1	BALANCE AT JANUARY 1, 2019	327,652	\$ 3,276,518	\$ 483	\$ 296	\$ 779	\$ 21,220	\$ 308,061	\$ 402,112	\$ 731,393	(\$ 134,501)	\$ 117,768	(\$ 16,733)	\$ 3,991,957
A3	Effect of retrospective application		<u>-</u>						(3,054)	(3,054)		-		(3,054)
A5	BALANCE AT JANUARY 1, 2019 AS RESTATED	327,652	3,276,518	483	296	779	21,220	308,061	399,058	728,339	(134,501)	117,768	(16,733)	3,988,903
B1	Appropriation of 2018 earnings Legal reserve	-	-	-	-	-	20,797	-	(20,797)	-	-	<u>-</u>	-	-
B5 B9	Cash dividends distributed by the Company Share dividends	-	-	-	-	-	-	-	(65,530)	(65,530)	-	-	-	(65,530)
	distributed by the Company	6,553	65,530	-	-	-	-	-	(65,530)	(65,530)	-	-	-	-
T1	Changes in capital surplus	-	-	31	-	31	-	-	-	-	-	-	-	31
D1	Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	397,977	397,977	-	-	-	397,977
D3	Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	<u>-</u>	-		-			2,715	2,71 <u>5</u>	(59,825)	<u>35,492</u>	(24,333)	(21,618)
D5	Total comprehensive income (loss) for the year ended December 31, 2019				_				400,692	400,692	(59,825)	35,492	(24,333)	376,359
Z1	BALANCE AT DECEMBER 31, 2019	334,205	3,342,048	514	296	810	42,017	308,061	647,893	997,971	(194,326)	153,260	(41,066)	4,299,763
	Appropriation of 2019 earnings													
B1 B5	Legal reserve Cash dividends distributed	-	-	-	-	-	39,764	-	(39,764)	(100.2(1)	-	-	-	- 100 2(1)
В9	by the Company Share dividends distributed by the	-	-	-	-	-	-	-	(100,261)	(100,261)	-	-	-	(100,261)
	Company	10,026	100,262	-	-	-	-	-	(100,262)	(100,262)	-	-	-	-
T1	Changes in capital surplus	-	-	6	-	6	-	-	-	-	-	-	-	6
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	1,919,818	1,919,818	-	-	-	1,919,818
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-		<u>-</u>	-	-			(<u>572</u>)	(<u>572</u>)	68,685	<u> 168,367</u>	237,052	236,480
D5	Total comprehensive income (loss) for the year ended December 31, 2020								1,919,246	1,919,246	68,685	168,367	237,052	2,156,298
Z1	BALANCE AT DECEMBER 31, 2020	344,231	\$ 3,442,310	\$ 520	\$ 296	\$ 816	\$ 81,781	\$ 308,061	\$ 2,326,852	\$ 2,716,694	(\$ 125,641)	\$ 321,627	\$ 195,986	<u>\$ 6,355,806</u>

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

TAITA CHEMICAL CO., LTD. STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code			2020		2019
	CASH FLOWS FROM OPERATING		_		
	ACTIVITIES				
A10000	Profit before income tax	\$	2,258,413	\$	460,975
	Adjustments for:				
A20100	Depreciation expenses		166,325		164,841
A20200	Amortization expenses		2,042		2,220
A20300	Expected credit loss (reversed)	(238)		672
A20400	Net gain on fair value change of				
	financial assets and liabilities at				
	fair value through profit or loss	(22,139)	(40,844)
A20900	Finance costs		10,802		24,191
A21200	Interest income	(1,755)	(9,963)
A21300	Dividend income	(7,555)	(4,617)
A22300	Share of profit of subsidiaries and				
	associates	(670,387)	(124,044)
A22500	Loss on disposal of property, plant				
	and equipment		51		8
A23200	Loss on disposal of property, plant				
	and equipment, using equity				
	method		173		-
A23700	Reversal of write-down of				
	inventories	(326)	(21,019)
A23900	Unrealized gain on the				
	transactions with subsidiaries		419		1,123
A29900	Recognition of refund liabilities		7,576		7,535
A30000	Changes in operating assets and				
	liabilities				
A31115	Financial assets at fair value				
	through profit or loss	(32,379)		138,591
A31130	Notes receivable	(12,408)		24,376
A31150	Accounts receivable	(57,188)		104,022
A31160	Accounts receivable from related				
	parties		64,164		88,414
A31180	Other receivables		12,465		39,180
A31190	Other receivables from related				
	parties		20,517	(110,365)
A31200	Inventories	(25,829)		134,461
				(Continued)

(Continued)

Code			2020		2019
A31230	Prepayments and other current				
	assets	(4,192)	(2,236)
A32150	Accounts payable		495,078	(26,011)
A32160	Accounts payable from related				
	parties	(324)		432
A32180	Other payables		99,861		12,091
A32190	Other payables from related				
	parties	(3,881)		645
A32230	Other current liabilities		2,132	(13,224)
A32240	Net defined benefit liabilities	(_	29,618)	(_	28,527)
A33000	Cash generated from operations		2,271,799		822,927
A33100	Interest received		1,753		9,964
A33300	Interest paid	(11,029)	(24,810)
A33500	Income tax paid	(_	27,658)	(_	822)
AAAA	Net cash generated from (used				
	in) operating activities	_	2,234,865	_	807,259
	CASH FLOWS FROM INVESTING ACTIVITIES				
B00030					
DUUUSU	Proceeds from capital reduction of financial assets at fair value				
	through other comprehensive income				505
B02700	Payments for property, plant and		-		303
D02700	equipment	(100,046)	(71,870)
B03700	Increase in refundable deposits	(261)	(158)
B07600	Dividends received	(12,778	(19,683
B09900	Recovery of the liquidated shares of		12,770		17,003
D07700	investee company using the equity				
	method		1,274		_
BBBB	Net cash used in investing	_	1,2/ 1	_	
DDDD	activities	(86,255)	(51,840)
	dentifies	_		_	<u> </u>
	CASH FLOWS FROM FINANCING				
	ACTIVITIES				
C00200	Decrease in short-term borrowings	(270,000)	(660,000)
C00600	Decrease in short-term bills payable	`		Ì	20,000)
C01600	Proceeds from long-term borrowings		1,000,000	,	850,000
C01700	Repayments of long-term				
	borrowings	(1,700,000)	(850,000)
C04020	Repayment of the principal portion		ŕ	•	•
	of lease liabilities	(4,463)	(4,416)
					(Continued)

Code		2020	2019
C04300	Increase in other non-current liabilities	_	600
C04500	Cash dividends	(99,946)	(65,501)
C05400	Acquisition of subsidiary shares	(798,162)	<u> </u>
CCCC	Net cash used in financing activities	(_1,872,571)	(749,317)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	276,039	6,102
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>89,730</u>	<u>83,628</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 365,769</u>	<u>\$ 89,730</u>

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

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed by the CPA Hsiu-Chun Huang and CPA Cheng-Chun Chiu 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 (I):

Proposal 2

Proposed by the Board

To ratify 2020 earnings distribution.

- Description: 1. In 2020, the earnings after tax was NT\$1,919,246,078. After appropriating NT\$191,924,608 as the legal reserve, the distributable net profit of 2020 is NT\$1,727,321,470. By the end of 2020, the accumulated distributable earnings is NT\$2,134,927,604 and will be distributed as follows:
 - (1) Cash dividend: NT\$688,462,076, i.e. NT\$2 per share.
 - (2) Stock dividend: NT\$344,231,030, i.e. NT\$1 per share, or 100 shares per 1,000 shares.

The unappropriated earnings after distribution will be NT\$1,102,234,498.

- 2. Please refer to p.42, "Profit Distribution Table", for details.
- 3. According to this proposal, the profit of 2020 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 2020 Profit Distribution Table

	expressed in NTD
Net profit before tax of 2020	2,258,413,367
Less: Income tax	(338,595,177)
Net profit of 2020	1,919,818,190
Less: Retained earnings adjusted for investments made	9
under the equity method	(1,199,104)
Add: Retained earnings adjusted for the defined benef	it
plan after re-measurement.	626,992
Net Profit after tax of 2020	1,919,246,078
Less: Legal reserve	(191,924,608)
Distributable net profit of 2020	1,727,321,470
Add: Beginning unappropriated earnings	407,606,134
Accumulated distributable earnings at the end of 2020	2,134,927,604
Distributable items:	
(total number of issued shares: 344,231,038)	
Cash: NT\$2.0 per share	688,462,076
Stock: NT\$1.0 per share	344,231,030
Total amount of distribution	1,032,693,106
Unappropriated earnings at the end of 2020 transferred	d
to the next year	1,102,234,498

Chairman: Wu, Yih-Guei

President: Wu, Pei-Chi

Chief Accounting Office: Lin, Jin-Cai

Matters for Ratification and Discussion (I):

Proposal 3

Proposed by the Board

To approve the capitalization on stock dividends.

- Description 1. To enrich operating capital, this proposal is made to have the stock dividends NT\$344,231,030 to be issued 344,231,030 new shares, par value at NT\$10 per share, to increase capital NT\$34,423,103.
 - 2. Currently the paid-in capital is NT\$3,442,310,380 divided into 344,231,038 shares. After issuing new shares to increase capital, the paid-in capital will be NT\$3,786,541,410 divided into 378,654,141 shares.
 - 3. The Board will set another target day for the issuance of stock dividend in this proposal. The dividend at 100 shares per 1,000 shares for the increased shares are determined based on the stake of shareholders registered in the List of Shareholders on the target day. Shareholders holding fractional shares after the increase may arrange to combine such shares together to meet the distribution requirements. The Chairman is

authorized to contact specified person(s) to subscribe the uncombined fractional shares that are not combined at the face value and distribute such dividends in cash.

- 4. The rights and obligations of the new shares will be the same as all issued shares.
- 5. Should the terms and conditions of this proposal be requested to alter by the competent authority, it is proposed that the Board of Directors be authorized to take all required actions accordingly.
- 6. Please vote.

Resolution:

Matters for Ratification and Discussion (I):

Proposal 4

Proposed by the Board

To approve the amendment to part of the "Parliamentary Rules for Shareholders' Meetings".

Description: 1. Part of the "Parliamentary Rules for Shareholders' Meetings" is amended for reference to the revised sample template for "XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" based on the announcement of the Taiwan Stock Exchange and for the purpose of cooperating with the company's current practice.

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
Article 3 (Convening shareholders	Article 3 (Convening shareholders
meetings and shareholders	meetings and shareholders
meeting notices)	meeting notices)
(omitted)	(omitted)
Election or dismissal of directors,	Election or dismissal of directors,
amendments to the articles of	amendments to the articles of
incorporation, reduction of capital,	incorporation, reduction of capital,
application for the approval of ceasing	application for the approval of ceasing
its status as a public company, approval	its status as a public company, approval
of competing with the company by	of competing with the company by
directors, surplus profit distributed in	directors, surplus profit distributed in
the form of new shares, reserve	the form of new shares, reserve
distributed in the form of new shares,	distributed in the form of new shares,
dissolution, merger, or demerger of the	dissolution, merger, or demerger of the
corporation, any matter under Article	corporation, <u>or</u> any matter under Article
185, paragraph 1 of the Company Act,	185, paragraph 1 of the Company Act
Articles 26-1 and 43-6 of the Securities	shall be itemized in the subjects to be
Exchange Act and Articles 56-1 and 60-2	described and the essential contents
of Regulations Governing the Offering	shall be explained in the notice to
and Issuance of Securities by Securities	convene the shareholders meeting.
<u>Issuers</u> shall be itemized in the subjects	None of the above matters may be
to be described and the essential	raised by an extraordinary motion. <u>The</u>
contents shall be explained in the notice	essential contents may be posted on the
to convene the shareholders meeting.	website designated by the competent
None of the above matters may be	authority in charge of securities affairs
raised by an extraordinary motion.	or the company, and such website shall
(omitted)	be indicated in the above notice.
	(omitted)
Article 9	Article 9
(omitted)	(omitted)
The chair shall call the meeting to order	The chair shall call the meeting to order
at the appointed meeting time, and	at the appointed meeting time.
announce relevant information of the	However, when the attending
number of non-voting shares and the	shareholders do not represent a majority
number of shares in attendance, etc.	of the total number of issued shares, the
However, when the attending	chair may announce a postponement,

shareholders do not represent a majority provided that no more than two such 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 meeting adjourned. third of the total number of issued shares, the chair shall declare the meeting adjourned.

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 (omitted)

(omitted)

Article 11 (Shareholder speech) (omitted)

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.

Article 11 (Shareholder speech) (omitted)

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 <u>5</u> minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. (omitted)

Article 14 (Election)

(omitted)

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. (omitted)

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. (omitted)

III.Elections

Proposed by the Board

To elect nine directors.

Description: 1.The term of all directors of the current board will expire on June 21, 2021, please elect another nine directors (including four independent directors) in accordance with the Articles of Incorporation.

- 2. The candidate nomination system shall apply. AGM shall elect directors from the candidate list. Please refer to the table in the next page for the names, education, and experience of candidates.
- 3. All new directors will take up their office immediately after the election for a term of three years, i.e. from May 31, 2021 to May 30, 2024.

Results:

Taita Chemical Company, Limited List of Candidates for Directorial Election (including independent directors)

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
1	84849	126,634,858	Union	_	College graduated	Chairman: USI Corporation ` Asia	Director
			Polymer		Chairman: USI Corporation \ Asia	Polymer Corporation ` China	Candidate
			International		Polymer Corporation、China	General Plastics Corp. ` Taita	
			Investment		General Plastics Corp. ` Taita	Chemical Co., Ltd. ` Acme	
			Corporation		Chemical Co., Ltd. ` Acme	Electronics Corporation、USI	
			:		Electronics Corporation、USI	Optronics Corporation \ Swanson	
			Wu, Yi-Gui		Optronics Corporation \ Swanson	Plastics Corporation	
					Plastics Corporation	CTCI Corporation Director	
					CTCI Corporation Executive	Chinese National Federation of	
					Director	Industries Executive Director	
					Chinese National Federation of		
					Industries Executive Supervisors		
2	84849	126,634,858	Union	_	Tunghai University	Director & President:Taita	Director
			Polymer		Dow Chemical	Chemical Co., Ltd. \ Asia Polymer	Candidate
			International		Director, Asia Pacific Packaging &	Corporation	
			Investment		Specialty Plastics Value Chain,		
			Corporation		Business Development &		
			:		Sustainability.		
			Wu, Pei-Ji		Commercial Director, Asia Pacific		
					PU & Systems.		
					General Manager, Asia Pacific		
					Thermosets.		
					Sales Director, Greater China Basic		
					Plastics.		
					Product Manager, Asia Pacific		
					Engineering Plastics, Compounds		
					& Blends.		

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
					Marketing Manager, Asia Pacific		
					Engineering Plastics.		
					ESSO Taiwan		
	102000	1 000 110	LIGHE		Sales Engineer		D: 1
3	103980	1,209,113	USIFE	_	RUTGERS-THE STATE	Chair-professor, Chung Hua	Director
			Investment		UNIVERSITY	University	Candidate
			Co., Ltd.:		·	Director, USI Education	
			Ma, Yi-kung		2005 &2008-2014.	Foundation	
					member of EPA's Environmental		
					Impact Assessment Comm. 1982- 1999		
4	103980	1,209,113	USIFE		MBA, Graduate School of Business,	Director, Taita Chemical Co., Ltd.	Director
		, ,	Investment		University of Chicago	,	Candidate
			Co., Ltd.:		President, Taita Chemical Co., Ltd.		
			Ying, Pao-Lo		Senior Vice President, USI		
					Corporation		
					President, Swanson Plastics		
					Corporation		
					Regional Director, Elf Lubricants		
					(SEA) Pte. Ltd		
					Managing Director, Elf Trading		
					Asia Pte. Ltd		
					Supply Manager, Crude Oil, Gulf		
					Oil Trading Co		
					Trading Manager, Refined		
					Products, Gulf Oil Trading Co.		
5	84850	15,166,663	Taiwan	_	Chung Yuan Christian University	Director: UPC Technology	Director
			Union		Chemical Engineering	Corporation · Taita Chemical	Candidate
			International		Union Nylon Corporation	Company, Limited · Asia Polymer	
			Investment		China Phosphate Co., Ltd	Corporation.	

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
			Corporation: : Ke, Yi-Shao		Taiwan Synthetic Rubber Corporation	General Manager: UPC Technology Corporation	
6	_	_	Chen, Tyan- Wen	A12288XXXX	University of Southern California (MBA) Chase Manhattan Bank Assistant Treasurer Merrill Lynch Capital Markets Group Vice President The Capital Group Founder & Chairman Cathay Financial Holding Co., Ltd. Director	Chia Shih Construction Co., Ltd. Chairman. Taiwan Secom Company Ltd. Independent Director Candidate Yeong Guan Energy Technology Group Company Limited Independent Director Candidate	Independent Director Candidate
7	_	_	Way, Yung- Do		MBA, The University of Georgia CEO & Managing Partner Deloitte Touche Taiwan Chairman, United Way of Taiwan	Chairman, YCSY Co., Ltd.	Independent Director Candidate
8	_	_	Lee, Kuo- Shiang		The University of Chicago MBA National Taiwan University B.S of E.E. Quaker Oats Company International marketing supervisor Shiseido Co., Ltd. Inter 2nd Taipei Cosmetics Industry Association Chairman YPO Taipei Chapter Chairman	Taiwan Shiseido Co., Ltd. Chairman Flelis International Inc. Chairman Hwa-Tsu Cosmetics Company Chairman Chinese National Federation of Industries Supervisor	Independent Director Candidate

No.	A/C No.	Stake	Name	Citizen ID No.	Major Education/Experience	Major Current Position	Remarks
					11 th ~12 th Taiwan Cosmetics		
					Industry Association		
					Director-General		
					6 th ~11 th Chinese National		
					<u>Federation of Industries</u>		
					Director of Supervisor		
9	_	_	James Yuan	J10076XXXX	Academic History,	President, Taiwan Technology	Independent
					Juris Doctor,	Industry Legal Officers Association	Director
					Rutgers The State University,	Associate Professor,	Candidate
					School of Law	Soochow University	
					Major Working Experiences,		
					Vice President/General Counsel		
					MiTAC International Company		
					Group		

IV.Matters for Discussion (II)

Proposed by the Board

To approve the permission of directors for competitive actions

- Description: 1. While some new directors may engage in or operate a business similar to or within the scope of the Company's business, subject to no harm to the interests of the Company, it is proposed to allow such acts in accordance with Article 209 of the Company Act.
 - 2.The competitive actions in which new directors engage are shown in the next page.
 - 3.Please vote.

Resolution:

Taita Chemical Company, Limited Directors' Engagement in Competitive Business Table

On the day of being elected, some directors of this Company engage in the following business items that are within the scope of business of this Company:

Union Polymer International Investment Corporation

ASIA Polymer Corporation	China General Plastics Corporation
J	<u> </u>

USIFE Investment Co., Ltd.

Swanson Technologies Corporation	Taiwan United Venture Management
_	Corporation

Taiwan Union International Investment Corporation

ASIA Polymer Corporation
rion i rolymer corporation

Wu, Yi-Gui (Representative of Union Polymer International Investment Corporation)

A.S. Holdings (UK) Limited	Director	
Acme Components (Malaysia)	Director	
Sdn. Bhd.		
Acme Electronics (Cayman)	Chairman	
Corp.	Chamman	
Acme Ferrite Products Sdn. Bhd.	Director	
APC (BVI) Holding Co., Ltd.	Director	
CGPC (BVI) Holding Co., Ltd.	Director	
CGPC America Corporation	Director	
Curtana Company Limited	Director	
Cypress Epoch Limited	Director	
Dynamic Ever Investments Ltd	Director	
Dynamic Ever Investments Ltd.	President	
Ever Victory Clobal Limited	Director	
Ever Victory Global Limited	President	
Ever Conquest Global Limited	Director	
Forever Young Co., Ltd.	Director	
Golden Amber Enterprises Ltd.	Director	
PT. Swanson Plastics Indonesia	Director	

Swanlake Traders Ltd.	Director	
Swanson International Limited	Director	
Swanson Plastics (India) Private	Dinastan	
Limited	Director	
Swanson Plastics (Malaysia) Sdn.	Director	
Bhd.	Director	
Swanson Plastics (Singapore) Pte.	Director	
Ltd.	Director	
Taita (BVI) Holding Co., Ltd.	Director	
USI International Corporation	Director	
Chinese National Federation of	Executive	
Industries	Director	
CTCI Corporation	Director	
USIG (Shanghai) Co., Ltd.	Director	
USI (Hong Kong) Company	Director	
Limited		
USI Optronics Corporation	Chairman	
USIFE Investment Co., Ltd.	Chairman	
	Chairman	

USI Management Consulting Corp.	President
Taiwan VCM Corporation	Director
USI CORPORATION	Chairman
APC Investment Corporation	Chairman
ASIA Polymer Corporation	Chairman
Chong Loong Trading Co. Ltd.	Chairman
USI Education Foundation	Chairman
China General Plastics Corp.	Chairman
CGPC Polymer Corporation	Chairman
Acme Electronics Corporation	Chairman
ACME Electronics (Kunshan) Co., Ltd.	Director
ACME Electronics (Guangzhou) Co., Ltd.	Director
ASK-Swanson (Kunshan) Company Limited	Director

Swanson Technologies	Chairman	
Corporation	Chairman	
Swanson Plastics (Tianjin) Co.,	Director	
Ltd.	Director	
Swanson Plastics (Kunshan) Co.,	Director	
Ltd	Director	
Swanson Plastics Corporation	Chairman	
Emerald Investment Corporation	Director	
KHL Venture Capital Co., Ltd.	Director	
Fujian Gulei Petrochemical Co.,	Chairman	
Ltd.	Chamman	
Taiwan United Venture Capital	Chairman	
Corp.	Chairman	
Taiwan United Venture	Clasiumaan	
Management Corporation	Chairman	
Union Polymer International	Chairman	
Investment Corporation	President	

Wu, Pei-Ji (Representative of Union Polymer International Investment Corporation)

APC (BVI) Holding Co., Ltd.	Director	
Cypress Epoch Limited	Director	
Dynamic Ever Investments Ltd.	Director	
Ever Conquest Global Limited	Director	
Ever Victory Global Ltd.	Director	
Taita (BVI) Holding Co., Ltd.	Director	
USI International Corporation	Director	
USIG (Shanghai) Co., Ltd.	Director	
Taita Chemical (Zhong Shan) Co., Ltd.	Chairman	
Taita Chemical (Tianjin) Co., Ltd.	Chairman	
USI Management Consulting	Director	
Corp.		
APC Investment Corporation	Director	

ASIA Polymer Corporation	Director	
ASIA I olymer Corporation	President	
Chong Loong Trading Co. Ltd.	Director	
USI Education Foundation	Director	
China General Terminal &	Director	
Distribution Company	Director	
Swanson Technologies	Director	
Corporation	Director	
Swanson Plastics Corporation	Director	
Taiwan United Venture Capital	Director	
Corp.	Director	
INOMA CORPORATION	Director	
USI Trading (Shanghai) Co., Ltd.	Chairman	
	President	
ACME Electronics (Kunshan)	Director	
Co., Ltd.	Director	

Ma, Yi-kung (Representative of USIFE Investment Co., Ltd.)

USI Education Foundation Director

Ke, Yi-Shao (Representative of Taiwan Union International Investment Corporation)

<u>, </u>	
APC (BVI) Holding Co., Ltd.	Director
Taita (BVI) Holding Co., Ltd.	Director
UPC Chemicals (Malaysia) Sdn. Bhd.	Director
UPCM Trading (Thailand) Company Limited	Director
UPCM Trading (Vietnam) Company Limited	Director
Zhongshan Union Trading Co., Ltd.	Chairman General Manager
Zhongshan Unicizers Industrial Co., Ltd.	Chairman General Manager
Sichung Logistics Co., Ltd.	Chairman General Manager
Jiangsu Union Logistics Co. Ltd.	Chairman General Manager
ASIA Polymer Corporation	Director
Nanchong Unicizers Industrial Co., Ltd.	Chairman General Manager
Taizhou Union Chemical Industry Co., Ltd.	Chairman General Manager
Taizhou Union Logistics Co., Ltd.	Chairman General Manager

on International Investment Cor	poration)	
Tainhau II nian Dlastica Industrus	Chairman	
Taizhou Union Plastics Industry	General	
Co., Ltd.	Manager	
Zhuhai Unicizers Industrial Co.,	Chairman	
Ltd.	General	
Lta.	Manager	
China General Terminal &	D: :	
Distribution Corporation	Director	
Taiwan Union International	Chairman	
Investment Corporation	Chairman	
Cuanadana Unian Lagistica	Chairman	
Guangdong Union Logistics Co., Ltd.	General	
Co., Ltd.	Manager	
Paniin Union Chamical	Chairman	
Panjin Union Chemical	General	
Industrial Co., Ltd.	Manager	
Daniin I Inian Matariala Industry	Chairman	
Panjin Union Materials Industry	General	
Co., Ltd.	Manager	
	Chairman	
Panjin Union Logistics Co., Ltd.	General	
	Manager	
	Director	
UPC Technology Corporation	General	
	Manager	
Union Venture Capital Corp.	Director	
LienHwa United LPG Co., Ltd.	Director	
Zhaniiana Haian Chanian	Chairman	
Zhenjiang Union Chemical	General	
Industry Co., Ltd.	Manager	
Zhenjiang Union Torch Estate	Executive	
Co., Ltd.	Director	
Wei Chen Investment Co.	Chairman	

Chen, Tyan-Wen (Independent Director)

Chia Shih Construction Co., Ltd.	Chairman	Yeong Guan Energy Technology Group	Independent
Taiwan Secom Company	Independent	Company Limited	Director
Ltd.	Director		

Way, Yung-Do (Independent Director)

YCSY Co., Ltd.	Director	Vanguard International	
Cathay Financial Holding	Independent	Semiconductor	Director
Co., Ltd.	Director	Corporation	
Cathay United Bank	Independent	MiTAC Holdings	Independent
Company Limited	Director	Corporation	Director
Cathay Securities	Independent	Iron Force Industrial Co.,	Director
Corporation	Director	Ltd.	Director
Far Eastern Dept. Store,	Independent		
Ltd.	Director		

Lee, Kuo-Shiang (Independent Director)

Taiwan Shiseido Co., Ltd.	Chairman	Hwa-Tsu Cosmetics	Chairman
Flelis International Inc.	Chairman	Company	Chairman

V. Extemporary Motions

VI. Meeting Adjournment

Appendix 1

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

Amended on June 18, 2020

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 publi.

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 the company 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 Ac 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. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

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 the company.

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 minutess.

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. 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.

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 5 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.

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

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 Taipi 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 it's 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

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: he 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

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 evoting 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.
- Article 18. In the event of any matters not covered herein, the Chinese version shall apply.

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
Chairman	Wu, Yih-Guei (Representative of Union Polymer International Investment Corporation)	
Director	Wu, Pei-Chi (Representative of Union Polymer International Investment Corporation)	
Director	Ying, Pao-Lo (Representative of Union Polymer International Investment Corporation)	126,634,858
Director	Liu, Han-Tai (Representative of Union Polymer International Investment Corporation)	
Director	Liu, Jen-Two (Representative of Union Polymer International Investment Corporation)	
Director	Ko, Yi-Shaw (Representative of Taiwan Union International Investment Corporation)	15,166,663
Independent Director	Ma, Yi-Kung	0
Independent Director	Chen, Tyan-Wen	0
Independent Director	James Yuan	0
Total Stake of Directors		141,801,521
Stake by Law of Directors		13,769,241

Note: 1. The said stake is the number of shares registered in the List of Shareholders dated by the book due date (April 2) of the 2021 AGM.

2. The total issued shares of TTC are 344,231,038 shares.

Appendix 5

The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE: No estimates should be disclosed as no finaincal forecast was made for 2021.

Year			2021	
Item			(Estimates)	
Beginning paid-in capital			NT\$3,442,310,380	
	Cash dividend per shar	re	NT\$2.0	
Stock dividend of the year	Stock dividend per earnings.	0.1share		
(Note 1)	Stock dividend per shareserve.	0share		
Impact on business performance	Operating income			
	Rate of increase (decrea	se) of operating income YOY		
	Net profit after tax			
	Rate of increase (decrea	se) of net profit after tax YOY]	
	EPS			
	Rate of increase (decrea	ise) of EPS YOY		
	Average ROI (reciprocal of average price-earnings ratio (PER)			
Proposed EPS and PER	If issuing dividends in	Proposed EPS	N/A (Note 2)	
	cash for capitalization with earnings	Proposed annual average ROI	14/11 (14016 2)	
	If no capitalization	Proposed EPS		
	with legal reserve	Proposed annual average ROI		
	If issuing dividends in	Proposed EPS		
	cash for capitalization with earnings without capitalization with legal reserve	Proposed annual average ROI		

Note 1: Dividend distribution for 2020 is shown according to the profit distribution proposal resolved by the Board on March 5, 2021.

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:
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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 2021 AGM is from March 26, 2021 to April 5, 2021. Such information was disclosed on the Market Observation Post System by law on March 16, 2021.
- 3. No proposal from shareholder was received during the said period.