

Stock Code: 4772



Shareholders' Meeting of 2023

Meeting Handbook

Time: 1:00 pm, May 12, 2023 (Fr.)

Location: No. 1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua County (Conference Room at 1F of the Company)

Form of Shareholders' Meeting: Physical

Translation –In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

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Taiwan Speciality Chemicals Corporation Shareholders' Meeting of 2023

- I. Call the Meeting to Order
- II. Chairman's Opening Remarks
- III. Report Items
- IV. Recognition Items
- V. Discussion
- VI. Election
- VII. Other Proposals
- VIII. Extraordinary Motions
- IX. Meeting Adjourned

Taiwan Speciality Chemicals Corporation

Shareholders' Meeting of 2023

One. Time: 1:00 pm, May 12, 2023 (Fri.)

Two. Location: No. 1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua County
(Conference Room at 1F of the Company)

Three. Speech by the Chair

Four. Report Items

- I. Report on business operation status in 2022.
- II. The review by the audit committee on the report on the final accounts of 2022.
- III. Report on employees and directors/supervisors remuneration distribution of 2022.

Five. Recognition Items

- I. 2022 business report and financial statement.
- II. The Company's surplus distribution plan for 2022.

Six. Discussion

- I. Proposal of amendment to Articles of Incorporation.
- II. Proposal of amendment to Regulations on Endorsement and Guarantees.
- III. Proposal of amendment to Regulations on Loaning of Funds.
- IV. Proposal of amendment to Procedures for Acquisition or Disposal of Assets.
- V. Proposal of amendment to Procedures for Election of Directors and Supervisors and its retitling to "Procedures for Election of Directors".
- VI. Proposal of amendment to Rules and Procedures of Shareholders' Meeting.

Seven. Election: By-election of one seat of independent director.

Eight. Other proposals: Proposal to lift the restrictions on non-competition for newly-recruited independent directors.

Nine. Extraordinary Motion

Ten. Meeting Adjourned.

Four. Report Items

Proposal 1

Cause: Report on business operation status in 2022.

Description: For the Business Report of 2022, please refer to pages 10-12 of the Handbook (Attachment 1).

Proposal 2

Cause: The review by the audit committee on the report on final accounts of 2022.

Description: For the review report of the audit committee, please refer to page 13 of the Handbook (Attachment 2).

Proposal 3

Cause: Report on employees and directors/supervisors remuneration distribution of 2022.

Description: 1. Article 25-1 of the Articles of Incorporation stipulates that if the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' and supervisors' remuneration.

2. The Company intends to distribute NT\$6,830 thousand in cash to employees (with a distribution ratio of 3.5%); and NT\$970 thousand to distribute directors and supervisors in cash (with a distribution ratio of 0.5%).

Five. Recognition Items

Proposal 1 (proposed by the board of directors)

Cause: The 2022 business report and financial statement are submitted for recognition.

Description: 1. The Company's 2022 financial statements have been audited by An-Chih Cheng and Yung-Hua Huang from KPMG Taiwan, and an unqualified opinion has been issued.

2. For the aforementioned Business Report and financial statement, please refer to pages 10-12 (Attachment 1) and pages 14-20 (Attachment 3) of the Handbook.

Resolution:

Proposal 2 (proposed by the board of directors)

Cause: The proposal of the distribution of surplus of 2022 is submitted for recognition.

Description: 1. The Company's net income of 2022 is NT\$207,973,482. After adding the undistributed surplus of the previous period and allocating the legal reserve, the total amount is NT\$272,322,888. Considering the utilization of funds, it is hereby proposed to distribute shareholder dividends of NT\$94,000,855 (cash dividends of NT\$0.68) (distribution ratio of 50.22%), and the undistributed surplus at the end of the distribution period is NT\$178,322,033.

2. Shareholders' cash dividends are calculated according to the distribution ratio up to NT\$1, the amount less than NT\$1 is rounded up, and the total amount of fractional shares less than NT\$1 shall be included in other income.

3. If the Company buys back, transfers or cancels the treasury stocks, and issues new shares for capital increase for cash, which affects the number of outstanding shares of the Company and causes changes in the

dividend distribution ratio of shareholders, it is proposed to authorize the chairman to adjust the distribution ratio.

4. The surplus distribution for 2022 is approved by the board of directors, and submitted to the shareholders' meeting to authorize the board of directors to handle matters related to dividend distribution.
5. Please refer to page 21 (Attachment 4) of the Handbook for the surplus distribution for 2022.

Resolution:

Six. Discussion

Proposal 1 (proposed by the board of directors)

Cause: Amendment to Articles of Incorporation.

Description: 1. These Articles of Incorporation are amended due to the amendment of legal regulations and the replacement of supervisors by the audit committee
2. For comparison before and after the amendment, please refer to pages 22-26 of the Handbook (Attachment 5).

Resolution:

Proposal 2 (proposed by the board of directors)

Cause: Amendment to Regulations on Endorsement and Guarantees.

Description: 1. Parts of the content of Regulations on Endorsement and Guarantees are amended due to the replacement of supervisors by the audit committee.
2. For comparison before and after the amendment, please refer to page 27-28 of the Handbook (Attachment 6).

Resolution:

Proposal 3 (proposed by the board of directors)

Cause: Amendment to Regulations on Loaning of Funds.

Description: 1. Parts of the content of Regulations on Loaning of Funds are amended due to the replacement of supervisors by the audit committee.
2. For comparison before and after the amendment, please refer to page 29-30 of the Handbook (Attachment 7).

Resolution:

Proposal 4 (proposed by the board of directors)

Cause: Amendment to Procedures for Acquisition or Disposal of Assets

Description: 1. Parts of the content of Regulations Governing the Acquisition and

Disposal of Assets are amended due to the replacement of supervisors by the audit committee.

2. For comparison before and after the amendment, please refer to pages 31-34 of the Handbook (Attachment 8).

Resolution:

Proposal 5 (proposed by the board of directors)

Cause: Amendment to Procedures for Election of Directors and Supervisors and its retitling to “Procedures for Election of Directors”.

Description: 1. Parts of the content of Procedures for Election of Directors are amended and the Procedures are retitled as “Procedures for Election of Directors” due to the replacement of supervisors by the audit committee.

2. For comparison before and after the amendment, please refer to pages 35-38 of the Handbook (Attachment 9).

Resolution:

Proposal 6 (proposed by the board of directors)

Cause: Amendment to Rules and Procedures of Shareholders’ Meeting.

Description: 1. Parts of the content of Rules and Procedures of Shareholders’ Meeting are amended due to the replacement of supervisors by the audit committee.

2. For comparison before and after the amendment, please refer to pages 39-41 of the Handbook (Attachment 10).

Resolution:

Seven. Election (proposed by the board of directors)

Reason 1: By-election of one seat of independent director.

Description: 1. Mr. Liu, Jin-Tang, an independent director of the Company, resigned due to personal career planning, and it is hereby proposed to hold a by-election the seat of an independent director.

2. The by-election of an independent director shall take office immediately after the election of the shareholders' meeting, and the term of office will start from May 12, 2023 to August 24, 2024.

3. The nomination system is adopted for the election of directors of the Company, and the list of candidates for independent directors reviewed and approved by the board of directors is as follows:

Title	Name	Education and Experience	Current Position	Shareholding
Independent Director	CHEN, DING-KUO	PhD of Business Administration, University of Michigan Professor of Department of Business Administration, National Taiwan University Visiting Associate Professor of National Chengchi University Dean of College of Business and Management of Tamkang University General Consultant of Ruentex Group President of Chinese Academy of Business	Honorary Founding President of Chinese Academy of Business Independent Director of Shiny Chemical Industrial Co.,Ltd Independent Director of Namchow Holdings Co., Ltd.	0

4. Proposed for election

Result:

Eight. Other Proposals

Proposal 1 (proposed by the board of directors)

Cause: Proposal to lift the restrictions on non-competition for newly-recruited independent directors.

Description: 1. The directors of the Company may invest in or operate other companies engaging in the same or similar business scope as the Company and act

as their directors. Without prejudice to the interests of the Company, based on the provisions of Article 209 of the Company Act it is proposed to the shareholders' meeting to lift the non-competition restrictions for directors.

2. The scope and content of the concurrent appointment of newly recruited independent directors will be supplemented at the shareholders' meeting when discussing such proposal.

Resolution:

Nine. Extraordinary Motion

Ten. Meeting Adjourned

Taiwan Speciality Chemicals Corporation Business Report

Dear Shareholders,

First of all, I would like to thank all shareholders for their support and care for the Company. We mainly focus on the production of precision high-end electronic-grade gases and chemicals, and the sales of Disilane, Trisilane and agency products are the current sources of our revenue. We hereby report the summary report on the business results of 2022 and the business plan in 2023 as follows:

I. Business results of 2022

(I) Results of implementation of business plan

In 2022, the Company continued to introduce the supply chain of major manufacturers and expand the income from agency products. The Company's revenue in 2022 was NT\$532,279 thousand, an increase of 3.22% compared with 2021, and the profit after tax reached NT\$207,974 thousand, which indicates a trend of continuous growth.

Results of implementation of business plan are as follows:

Unit: NT\$1,000

Item/Year	2022	2021	Percentage of Increase/Decrease
Operating Revenue	532,279	515,666	3.22%
Gross profit	263,867	261,166	1.03%
Operating expenses	83,219	65,854	26.37%
Net operating income	180,648	195,312	-7.51%
Net income before tax	187,470	194,445	-3.59%
Profit after tax	207,974	194,445	6.96%

(II) Implementation of operating income and expense budget:

In 2022, the Company has no external financial forecast.

(III) Financial income and expense and profitability analysis

Item		2022	2021
Financial structure	Ratio of Liabilities to Assets (%)	5.88%	7.06%
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	119.43%	114.80%
Analysis of Profitability	Return on total assets (%)	11.90%	11.36%
	Return on equity (%)	12.71%	13.14%
	Pre-tax income to paid-in capital (%)	13.56%	14.07%
	Profit margin (%)	39.07%	37.71%
	Earnings/loss per share	1.50	1.41

(IV) Financial balance

In 2022, the Company's operating revenue was NT\$532,279 thousand, operating costs were NT\$268,412 thousand, operating expenses were NT\$83,219 thousand, net non-operating income was NT\$6,822 thousand, net pre-tax income was NT\$187,470 thousand, and profit after tax was NT\$207,794 thousand, which indicates that the financial balance is normal.

(V) Research and development (R&D)

1. Research and development expenditure in 2022:

Unit: NT\$1,000

Item/Year	2022	2021
R&D Expenditures	26,185	18,865
Operating Revenue	532,279	515,666
Ratio of R&D expenses to net operating revenue (%)	4.92%	3.66%

2. Annual research and development achievements in 2022:

- (1) Chlorosilane reaction and synthesis technology.
- (2) Silicon-based precursor specialized reaction and synthesis technology.

3. Future R&D plan:

- (1) Development of production technology for advanced semiconductor high-end nitrogen-silicon epitaxial gas materials
- (2) Application technology of high-end silane gas materials
- (3) Development of production technology for advanced semiconductor high-end halogen-based etching gas materials

II. Summary of Business Plan for 2023

(I) Business Policy

During the rapid growth of the past three years, the Company has gained several market advantages, such as the sales performance of many international first-class semiconductor clients, the synthesis and purification process technology of silane speciality gas, the advantage of local supply, and a healthy financial system, and the professional and compliant speciality gas production base is also conducive to expansion and development and other advantages.

Although we are currently facing economic and industrial growth stagnation, it is a great opportunity for us to utilize flexibility and advantages to reshape the overall competitiveness in terms of product portfolio development, service efficiency, process coverage, industrial core skills, and production technology, and become a cutting-edge electronics company. A comprehensive solution provider for crystal manufacturing, creating multiple growth drivers and confronting real challenges.

(II) Expected sales volume and its basis

According to the forecast of World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to decline by 4.1% in 2023. In the case of a declining market, the Company's 2023 sales target is estimated to grow slightly compared to the actual revenue of 2022.

In addition to consolidating the sales of products in the current markets, as well as researching and developing potential markets for special projects to expand market applications, we also expand and increase the number of agents for speciality gas products used in advanced processes, and utilize such business model to lay out sales mix.

(III) Important production and marketing policies

1. Reduce finished product inventory and save cash expenditures.
2. Increase the number of customers and market share of agency commodities.
3. Complete the second high-end laboratory and continue to improve the quality.
4. Expansion of warehouses for hazardous goods, and arrange the growth momentum of agency commodities.

(IV) Future development strategies for the Company

1. Development of precursor chemical materials.
2. Develop local packaging technology for speciality chemical gases.
3. Continue to develop market application technology for silane products.

(V) Impact of the external competition, legal, and overall economic environments

1. In 2023, the overall international economic situation will be severe, and the semiconductor industrial chain will also be affected. In addition to continuing to expand customers and optimize product mix, the Company will carry out planned control adjustments for operating costs and inventory to respond to changes in the overall environment.
2. Silane products and services are becoming mature and attracting the investment from potential competitors: Develop extended products, plan multiple product exchanges between the individual customer and the Company, and strengthen the connection between the Company and customers.

Finally, we would like to thank all shareholders again for coming here. Your support is the greatest blessing and motivation for all our colleagues. Thank you and wish you all the best!

We wish you a healthy and prosperous life.

Chairman: Doris Hsu

President: Andrew Chang

Chief Accountant: Lennon Liao

Audit Committee's Review Report

The Board of Directors has prepared the 2022 Business Report, 2022 financial statements, and the 2022 earnings distribution proposal, among which the financial statements were audited and verified by CPAs An-Chih Cheng and Yung-Hua Huang from KPMG Taiwan, by whom an audit report was issued. The above-mentioned Business Report, financial statements and earnings distribution proposal have been reviewed by the audit committee, and there is no discrepancy. The report as above is submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

Shareholders' Meeting of 2023

Taiwan Speciality Chemicals Corporation
Liu, Chung-Hsien,

Convener of the Audit Committee

February 20, 2023

Independent Auditors' Report

To the Board of Directors of Taiwan Speciality Chemicals Corporation:

Opinion

We have audited the financial statements of Taiwan Speciality Chemicals Corporation ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

Revenue recognition

Please refer to note 4(12) for accounting policy and note 6(16) "Revenue from contracts with customers" of the financial statements for further information.

Description of key audit matter:

The Company's major revenues are the sales of Precision Chemical materials. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. Base on different contracts to assess whether the timing of revenue recognition was depending on the trade term agreed with the customer is complicated, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; understanding the design and process of implementation of internal controls and testing operating effectiveness; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the revenue was recorded in the proper period.

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 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 auditor's 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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.

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.

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 of the current period 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 An-Chih Cheng and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 20, 2023

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
Taiwan Speciality Chemicals Corporation

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(1))	\$ 114,600	7	57,784	4
1170	Notes and accounts receivable, net (note 6(2))	71,716	4	71,118	4
1210	Other receivable—related parties (note 7)	138	-	450	-
130X	Inventories (note 6(3))	165,963	9	134,747	8
1479	Other current assets (note 6(7))	2,761	-	2,338	-
		<u>355,178</u>	<u>20</u>	<u>266,437</u>	<u>16</u>
Non-current assets:					
1600	Property, plant and equipment (notes 6(4) and 8)	1,419,447	79	1,426,310	84
1755	Right-of-use assets (note 6(5))	299	-	684	-
1780	Intangible assets (note 6(6))	981	-	148	-
1840	Deferred tax assets (note 6(13))	20,504	1	-	-
1990	Other non-current assets (note 6(7))	4,419	-	3,037	-
		<u>1,445,650</u>	<u>80</u>	<u>1,430,179</u>	<u>84</u>
Total assets		\$ 1,800,828	100	1,696,616	100
Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities:					
2170	Accounts payable	13,775	1	10,903	1
2201	Payroll and bonus payable	19,443	1	13,934	1
2220	Other payable—related parties (note 7)	276	-	113	-
2300	Other current liabilities (notes 6(10) and (11))	72,038	4	34,210	2
		<u>105,532</u>	<u>6</u>	<u>59,160</u>	<u>4</u>
Non-Current liabilities:					
2540	Long-term borrowings (note 6(9))	-	-	60,000	3
2600	Other non-current liabilities (notes 6(10) and (11))	366	-	646	-
		<u>366</u>	<u>-</u>	<u>60,646</u>	<u>3</u>
Total liabilities		<u>105,898</u>	<u>6</u>	<u>119,806</u>	<u>7</u>
Equity (note 6(14)):					
3110	Ordinary shares	1,382,366	77	1,382,366	81
3350	Retained earnings	312,564	17	194,444	12
Total equity		<u>1,694,930</u>	<u>94</u>	<u>1,576,810</u>	<u>93</u>
Total liabilities and equity		\$ 1,800,828	100	1,696,616	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings PerShare)

		<u>2022</u>		<u>2021</u>	
		Amount	%	Amount	%
4000	Operating revenue (note 6(16))	\$ 532,279	100	515,666	100
5000	Operating costs (notes 6(3), (4) and (12))	268,412	50	254,500	49
	Gross profit from operations	<u>263,867</u>	<u>50</u>	<u>261,166</u>	<u>51</u>
	Operating expenses (notes 6(4), (5), (6), (11), (12) and 7):				
6100	Selling expenses	14,069	3	10,818	2
6200	Administrative expenses	42,965	8	36,171	7
6300	Research and development expenses	26,185	5	18,865	4
		<u>83,219</u>	<u>16</u>	<u>65,854</u>	<u>13</u>
	Net operating income	<u>180,648</u>	<u>34</u>	<u>195,312</u>	<u>38</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(18))	550	-	9	-
7010	Other income (notes 6(18) and 7)	8,097	1	2,340	-
7020	Other gains and losses (notes 6(4) and (18))	(1,695)	-	(868)	-
7050	Finance costs (notes 6(11) and (18))	(130)	-	(2,348)	-
		<u>6,822</u>	<u>1</u>	<u>(867)</u>	<u>-</u>
	Income before income tax	187,470	35	194,445	38
7950	Less: Income tax expenses (note 6(13))	(20,504)	(4)	-	-
	Net income	<u>207,974</u>	<u>39</u>	<u>194,445</u>	<u>38</u>
8300	Other comprehensive income	-	-	-	-
8500	Total comprehensive income	<u>\$ 207,974</u>	<u>39</u>	<u>194,445</u>	<u>38</u>
	Earnings per share (NT dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 1.50</u>		<u>1.41</u>	
9850	Diluted earnings per share	<u>\$ 1.50</u>		<u>1.40</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
Taiwan Speciality Chemicals Corporation

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Total equity
	Ordinary shares	Legal reserve	Unappropriated retained earnings	Total retained earnings	
Balance at January 1, 2021	\$ 2,909,675	-	(1,527,310)	(1,527,310)	1,382,365
Net income for the year	-	-	194,445	194,445	194,445
Other comprehensive income for the year	-	-	-	-	-
Comprehensive income for the year	-	-	194,445	194,445	194,445
Capital reduction for cover accumulated	(1,527,309)	-	1,527,309	1,527,309	-
Balance at December 31, 2021	1,382,366	-	194,444	194,444	1,576,810
Net income for the year	-	-	207,974	207,974	207,974
Other comprehensive income for the year	-	-	-	-	-
Comprehensive income for the year	-	-	207,974	207,974	207,974
Appropriation and distribution of retained earnings:					
Legal reserve	-	19,445	(19,445)	-	-
Cash dividends of ordinary shares	-	-	(89,854)	(89,854)	(89,854)
Balance at December 31, 2022	\$ 1,382,366	19,445	293,119	312,564	1,694,930

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

Taiwan Speciality Chemicals Corporation

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 187,470	194,445
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	143,980	132,608
Amortization expenses	106	104
Interest expenses	130	2,348
Interest income	(550)	(9)
Loss (gain) on disposal of property, plant and equipment	2,740	(268)
Recognition (reversal) of write-down of inventory	(60)	(5,030)
Recognition of impairment losses on non-financial assets	(9,856)	-
Total adjustments	<u>136,490</u>	<u>129,753</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable	(598)	22,102
Other receivable—related parties	312	(450)
Inventories	(31,156)	(15,152)
Other operating assets	(424)	4,572
Accounts payable	2,872	6,281
Other payable—related parties	163	(3)
Other current liabilities	5,487	5,365
Total changes in operating assets and liabilities	<u>(23,344)</u>	<u>22,715</u>
Total adjustments	<u>113,146</u>	<u>152,468</u>
Cash inflow generated from operations	300,616	346,913
Interest received	550	9
Interest paid	(130)	(2,366)
Net cash flows generated from operating activities	<u>301,036</u>	<u>344,556</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(94,742)	(42,222)
Proceeds from disposal of property, plant and equipment	1,098	483
Increase in refundable deposits	(239)	(525)
Acquisition of intangible assets	-	(91)
Net cash flows used in investing activities	<u>(93,883)</u>	<u>(42,355)</u>
Cash flows from financing activities:		
Repayments of long-term borrowings	(60,000)	(270,000)
Guarantee deposits received(refunded)	(90)	255
Cash dividends paid	(89,854)	-
Repayment of the principal portion of lease liabilities	(393)	(422)
Net cash flows from (used in) financing activities	<u>(150,337)</u>	<u>(270,167)</u>
Net increase (decrease) in cash and cash equivalents	56,816	32,034
Cash and cash equivalents at beginning of period	57,784	25,750
Cash and cash equivalents at end of period	<u>\$ 114,600</u>	<u>57,784</u>

See accompanying notes to financial statements.

Taiwan Speciality Chemicals Corporation
PROFIT DISTRIBUTION TABLE
 Year 2022

Unit: NT\$

Items	Amount	
	Subtotal	Total
Beginning retained earnings		85,146,754
Add: Profit after tax of the current year	207,973,482	
Less:		
Legal reserve set aside	(20,797,348)	
Distributable items:		
Shareholder dividend - cash	(94,000,855)	
Undistributed earnings at the end of the period		178,322,033

Chairman: Doris Hsu

President: Andrew Chang

Chief Accounting Officer: Lennon Liao

Taiwan Speciality Chemicals Corporation

Comparison Table for Articles of Incorporation

Articles	Before	After	Explanation
Article 6-1	Upon <u>becoming a public company</u> , if it is planning to issue employee stock option certificates at a price lower than the net value per share in the financial report that has been verified or reviewed by CPA (the closing price on the issuance date after listing or OTC), it shall be completed with the resolution based on attendance of shareholders representing more than half of the total number of issued shares at the shareholders' meeting and the consent of more than two-thirds of the voting rights of the attending shareholders, and may be processed in installments within one year from the date of the resolution of the shareholders' meeting.	If the Company is planning to issue employee stock option certificates at a price lower than the net value per share in the financial report that has been verified or reviewed by CPA (the closing price on the issuance date after listing or OTC), it shall be completed with the resolution based on attendance of shareholders representing more than half of the total number of issued shares at the shareholders' meeting and the consent of more than two-thirds of the voting rights of the attending shareholders, and may be processed in installments within one year from the date of the resolution of the shareholders' meeting.	The Company has currently become a public company, and hence some provisions are deleted.
Article 6-3	Except as otherwise provided by laws and regulations, the Company may purchase the its shares in accordance with Article 167-1 of the Company Act. <u>The shares bought back by the Company under the preceding paragraph shall be assigned or transferred to its employees within three years. If such shares have not been transferred as required after expiry of the foregoing time limit, such shares shall be deemed as the shares which have never been issued.</u> Those who are entitled for transfer of such shares may include the employees of parents or subsidiaries of the company meeting certain specific requirements. (Omitted)	Except as otherwise provided by laws and regulations, the Company may purchase the its shares in accordance with Article 167-1 of the Company Act. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. (Omitted)	Article 28-2 of the Securities and Exchange Act has been amended , in which the shares shall be transferred within five years. Since the Company has yet acquired its shares, part of this Article is deleted, and a separate guidelines will be formulated later to handle relevant matters in accordance with the laws and regulations.
Article 7	<u>The shares of the Company shall be in registered stocks and shall be issued in accordance with the laws with the signature or seal of the director(s) representing the Company.</u> The Company <u>may</u> be exempted from printing any share certificate in accordance with Article 161-2 of the Company Act, provided that it shall register with a centralized securities depository institution, and the same applies to other securities.	The Company will be exempted from printing any share certificate in accordance with Article 161-2 of the Company Act, provided that it shall register with a centralized securities depository institution, and the same applies to other securities.	The Company's shares has been fully issued digitally, and hence some provisions have been deleted.
Article 11	(Omitted) <u>Upon the Company becomes a public company</u> , a shareholder may appoint a proxy to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings	(Omitted) A shareholder may appoint a proxy to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" that is announced by the competent authority.	The Company has currently become a public company, and hence some provisions are deleted.

	of Public Companies” that is announced by the competent authority.		
Article 11-1	For the shareholders’ meeting held when the Company’s shares are <u>listed or listed on OTC</u> , the electronic means shall be listed as one of the manners for shareholders to exercise voting rights, and the method of exercise shall be specified in the notice of shareholders’ meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person, and their exercise of relevant regulations shall be handled in accordance with the Company Act and relevant laws and regulations.	For the shareholders’ meeting held when the Company’s shares are <u>listed or listed on emerging stock market</u> , the electronic means shall be listed as one of the manners for shareholders to exercise voting rights, and the method of exercise shall be specified in the notice of shareholders’ meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person, and their exercise of relevant regulations shall be handled in accordance with the Company Act and relevant laws and regulations.	Based on the authorization of Paragraph 1 of Article 177-1 of the Company Act, the Financial Supervisory Commission has considered expanding the scope of application of e-voting that companies shall adopt. When current public (OTC) companies hold shareholders’ meetings, electronic means shall be listed as the channel for exercising voting rights, whose application shall be extended to voting by emerging companies from 2023.
	Chapter 4. Directors and <u>Supervisors</u>	Chapter 4. Directors and <u>Audit Committee</u>	
Article 16	<p>The Company shall have 5 to 9 directors on the board and <u>1 to 3 supervisors</u> in place. Their term of office is three years. The shareholders’ meeting shall elect such directors from candidates with the legal capacity, and they may be re-elected.</p> <p>The election of directors and <u>supervisors</u> of the Company adopts the candidate nomination system stipulated in Articles 192-1 and <u>216-1</u> of the Company Act, and the shareholders’ meeting shall elect directors and <u>supervisors</u> from the list of candidates. Upon the Company <u>becomes a public company</u>, among the number of directors referred to in the preceding paragraph, there shall be no less than <u>two</u> independent directors, which shall be no less than one-fifth of the total number of seats of directors.</p> <p>(Omitted)</p> <p>Upon the Company <u>becomes a public company, an audit committee may</u> be established in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors, the number of which shall not be less than three. The audit committee or members of the audit committee shall be responsible for performing the functions and powers of supervisors stipulated in the Company Act, Securities Exchange Act and relevant other laws and regulations.</p> <p>(Omitted)</p>	<p>The Company shall have 5 to 9 directors on the board. Their term of office is three years. The shareholders’ meeting shall elect such directors from candidates with the legal capacity, and they may be re-elected.</p> <p>The election of directors of the Company adopts the candidate nomination system stipulated in Article 192-1 of the Company Act, and the shareholders’ meeting shall elect directors from the list of candidates. Among the number of directors referred to in the preceding paragraph, there shall be no less than <u>three</u> independent directors, which shall be no less than one-fifth of the total number of seats of directors.</p> <p>(Omitted)</p> <p>The Company may establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors, the number of which shall not be less than three. The audit committee or members of the audit committee shall be responsible for performing the functions and powers of supervisors stipulated in the Company Act, Securities Exchange Act and relevant other laws and regulations.</p> <p>(Omitted)</p>	<p>I. In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.</p> <p>II. The Company has currently become a public company, and hence some provisions are deleted.</p>

Article 18	In case election of new <u>supervisors</u> cannot be effected in time after expiration of the term of office of existing directors or supervisors, the existing supervisor shall continue to perform their duties until the new directors or supervisors elect has assumed their office as <u>supervisors</u> . However, the competent authority may order, ex officio, the company to conduct the re-election of supervisors within a given time limit. If election of new supervisors is still not effected, the existing supervisors shall be discharged, ipso facto, upon expiry of the time limit hereinabove fixed by the competent authority.	In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may order, ex officio, the company to conduct the re-election of supervisors within a given time limit. If election of new supervisors is still not effected, the existing supervisors shall be discharged, ipso facto, upon expiry of the time limit hereinabove fixed by the competent authority.	In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.
Article 20	(Omitted) The board of directors of the Company shall hold meetings at least once a quarter. The notice of convening of the meeting of board of directors shall specify the reasons for the convening, which shall be delivered to all directors <u>and supervisors</u> in accordance with the laws and regulations. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice of convening of the meeting board of directors of the Company may be delivered in writing, electronically (E-mail), hardcopy faxing or computer faxing. (Omitted)	(Omitted) The board of directors of the Company shall hold meetings at least once a quarter. The notice of convening of the meeting of board of directors shall specify the reasons for the convening, which shall be delivered to all directors and supervisors in accordance with the laws and regulations. The notice of convening of the meeting board of directors of the Company may be delivered in writing, electronically (E-mail), hardcopy faxing or computer faxing. (Omitted)	In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.
Article 23	<u>In addition to exercising supervisory powers in accordance with the laws and regulations, the supervisors may also attend the meetings of board of directors to present opinions, but may not participate in voting.</u>	Deleted	In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.
Article 23	(Originally Article 23-1) The remuneration of directors <u>and supervisors</u> is subject to resolution by the board of directors according to the extent of their participation in the Company's business operations, their contributions and the average remuneration level among the industry. (Omitted)	(Article 23) The remuneration of directors is subject to resolution by the board of directors according to the extent of their participation in the Company's business operations, their contributions and the average remuneration level among the industry. (Omitted)	I. In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted. II. Adjustment to numbering of articles.
Article 25	By the end of the Company's fiscal year, the board of directors shall compile the following documents and submit them to the supervisors for review and approval at <u>the shareholders' meeting 30 days before the shareholders' meeting</u> ; I. Business report. II. the financial statements; and III. the surplus earning distribution or loss off-setting proposals.	By the end of the Company's fiscal year, the board of directors shall compile the following documents and submit them for review and approval at the shareholders' meeting <u>based</u> on laws and regulations: I. Business report. II. the financial statements; and III. the surplus earning distribution or loss off-setting proposals.	In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.

Article 25-1	<p>If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' and <u>supervisors'</u> remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses. The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors and <u>supervisors</u> referred to in the preceding paragraph shall be paid only in cash. (Omitted)</p>	<p>If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses. The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors referred to in the preceding paragraph shall be paid only in cash. (Omitted)</p>	<p>In view of the fact that the Company has established an audit committee to replace the supervisors, the provisions for supervisors are amended or deleted.</p>
Article 26	<p>If there is a surplus earning in the Company's annual final accounts, it shall first allocate for taxes to cover accumulated losses, and then allocate 10% of the balance as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. When necessary, after the special surplus reserve is allocated or reversed according to the laws or regulations of the competent authority, if there is any surplus, it shall be added to the undistributed surplus of the previous year. The board of directors shall prepare a surplus distribution proposal to be submitted to the shareholders' meeting to determine the distribution of <u>shareholder dividends</u>. The Company will cooperate with business development and expansion in the future. The <u>distribution of surplus earning</u> shall consider the its future capital expenditure budget and funding needs, and allocate at least 50% of the distributable surplus earning every year to distribute shareholder dividends; the shareholder dividends can be distributed in cash or stock, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.</p>	<p>If there is a surplus earning in the Company's annual final accounts, it shall first allocate for taxes to cover accumulated losses, and then allocate 10% of the balance as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. When necessary, after the special surplus reserve is allocated or reversed according to the laws or regulations of the competent authority,if there is any surplus, it shall be added to the undistributed surplus of the previous year.The board of directors shall prepare a surplus distribution proposal to be submitted todistribute the surplus in cash, based on Article 240, Paragraph 5 of the Company Act,<u>the board of directors is authorized to distribute all or part of the shareholders' dividends in cash with more than two-thirds of the directors present and a resolution passed by more than half of the directors present, which shall be submitted to the shareholders' meeting; if it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution after distribution.</u>if it is distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution. The Company will cooperate with business development and expansion in the future. The distribution of profit shall take into account the Company's future capital expenditure budget and capital needs. The annual after-tax surplus shall be deducted from the legal reserve and special reserve. The</p>	<p>Based on Article 240, Paragraph 5 of the Company Act, the contents of the provisions are added and amended.</p>

		<p>allocated amount shall not be less than 50% distribution of shareholder dividends; however, when the annual after-tax surplus is less than 5% of the paid-in capital after deducting the legal reserve and special reserve, it may not be distributed; the distribution of shareholder dividends can be made in cash or shares, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.</p> <p><u>For the net deduction of other interests accumulated in the previous period, the same amount of special reserve shall be withdrawn from the undistributed surplus of the previous period. If there is still any insufficiency, the amount included in the undistributed surplus of the current period from the current after-tax surplus plus items other than the current after-tax surplus shall be set aside for special reserve.</u></p>	
Article 26-1		<p><u>In accordance with Article 241 of the Company Act, for all or part of the legal reserve and additional paid-in capital, new shares or cash will be issued in proportion to the original shares held by shareholders, in the case of distribution in cash, the board of directors shall be authorized to make resolution by the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, which shall be submitted to the shareholders' meeting; in the case of distribution by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.</u></p>	Based on Article 241 of the Company Act, the contents of the provisions are added and amended.
Article 29	<p>Formulated on March 21, 2013 1st amendment on May 2, 2013. 2nd amendment on June 24, 2014 3rd amendment on November 18, 2014. 4th amendment on January 6, 2017. 5th amendment on July 16, 2018. 6th amendment on April 29, 2019. 7th amendment on August 25, 2021. 8th amendment on June 17, 2022.</p>	<p>Formulated on March 21, 2013 1st amendment on May 2, 2013. 2nd amendment on June 24, 2014 3rd amendment on November 18, 2014. 4th amendment on January 6, 2017. 5th amendment on July 16, 2018. 6th amendment on April 29, 2019. 7th amendment on August 25, 2021. 8th amendment on June 17, 2022. <u>9th amendment on May 12, 2023.</u></p>	Update and revision history

Taiwan Speciality Chemicals Corporation

Comparison Table for Guidelines for Endorsement and Guarantee

Articles	Before	After	Explanation
Article 7	<p>4. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of endorsement/guarantee for others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and <u>supervisors</u>. Where an audit committee <u>has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	<p>4. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of endorsement/guarantee for others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and audit committee.</p>	<p>The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted</p>
Article 8	<p>The Company's internal auditors shall audit the endorsement guarantee procedures and their implementation at least on a quarterly basis, and prepare written records. If major violations are found, they shall immediately notify the supervisors in writing. <u>If the Company appoints independent directors in accordance with regulations, such independent directors shall also be notified in writing.</u> Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</p> <p>Where independent directors have been appointed by the Company in accordance with the provisions of the Act, relevant improvement plan formulated shall also be given to the supervisors, and the improvement shall be completed according to the planned schedule. <u>If the Company appoints independent directors according to the regulations, it shall submit the relevant improvement plan to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	<p>The internal auditors of the Company shall audit the procedures of endorsement/guarantee for others and the implementation thereof on a quarterly basis with a written record documented and inform the <u>audit committee</u> in writing for any major violation identified. Where independent directors have been appointed by the Company in accordance with the provisions of the Act, relevant improvement plan formulated shall also be given to the <u>audit committee</u>, and the improvement shall be completed according to the planned schedule.</p>	<p>The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted</p>
Article 11	<p>These Guidelines shall be resolved by the board of directors and then submit it to each <u>supervisor</u> and the shareholders meeting for approval. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to each supervisor and the shareholders meeting for discussion, so are the amendments. <u>Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or</u></p>	<p>These Guidelines are approved by <u>more than half of all members of the audit committee</u>, which shall be submitted to the board of directors for resolution and then to the shareholders' meeting for approval for implementation. If any director expresses objection and there is a record or written statement, the Company shall submit such objection to the shareholders for discussion, and the same shall apply for amendments. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained in advance, the procedures may be implemented if approved by</p>	<p>An audit committee is set up to replace the supervisors, and certain content has been amended</p>

Articles	Before	After	Explanation
	<p><u>expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, when these Guidelines re adopted or amended, they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</u></p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained in advance, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in <u>paragraph 3</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in the <u>preceding paragraph</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
Article 12	<p>Matters not covered in these Guidelines shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021.</p>	<p>Matters not covered in these Guidelines shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. <u>3rd amendment on May 12, 2023.</u></p>	Added third amendment date

Taiwan Speciality Chemicals Corporation

Comparison Table for Procedures for Loaning of Funds

Articles	Before	After	Explanation
Article 9	<p>II. The internal auditors of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform <u>each supervisor</u> in writing for any major violation identified. <u>Where independent directors have been appointed by the Company in accordance with the provisions of the Act, written notice shall also be given to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p> <p>III. If the Company Changes anything due to circumstances, resulting to the situation in which the loan recipient cannot comply with the provisions of Article 2 of these Procedures or the balance exceeds the limit, it shall formulate an improvement plan and submit the relevant improvement plans to <u>supervisors</u>, and complete the improvement according to planned scheduled. Where independent directors have been appointed by the Company in accordance with the provisions of the Act, relevant improvement plan shall also be given to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</p>	<p>II. The internal auditors of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform <u>the audit committee</u> in writing for any major violation identified.</p> <p>III. If the Company Changes anything due to circumstances, resulting to the situation in which the loan recipient cannot comply with the provisions of Article 2 of these Procedures or the balance exceeds the limit, it shall formulate an improvement plan and submit the relevant improvement plans to the <u>audit committee</u>, and complete the improvement according to planned scheduled.</p>	An audit committee is set up to replace the supervisors, and certain content has been amended
Article 10	<p>IV. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of loans to others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and <u>supervisors</u>. <u>Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	<p>IV. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of loans to others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and the audit committee.</p>	The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted
Article 13	<p>These Procedures shall be resolved by the board of directors and then submit it to each <u>supervisor</u> and the shareholders meeting for approval. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to each supervisor and the shareholders meeting for discussion, so are the amendments. <u>Where the Company has appointed independent directors, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent</u></p>	<p>These Procedures are approved by more than half of all members of the <u>audit committee</u>, which shall be submitted to the board of directors for resolution and then to the shareholders' meeting for approval for implementation. If any director expresses objection and there is a record or written statement, the Company shall submit such objection to the shareholders for discussion, and the same shall apply for amendments.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the</p>	An audit committee is set up to replace the supervisors, and certain content has been amended

Articles	Before	After	Explanation
	<p><u>director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting.</u></p> <p><u>Where the Company has established an audit committee, when it adopts or amends these Procedures, it shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply.</u></p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in <u>paragraph 3</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in the <u>preceding paragraph</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
Article 14	<p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on June 25, 2018. 2nd amendment on April 29, 2019. 3rd amendment on August 25, 2021.</p>	<p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on June 25, 2018. 2nd amendment on April 29, 2019. 3rd amendment on August 25, 2021. <u>4th amendment on May 12, 2023.</u></p>	Added fourth amendment date

Taiwan Speciality Chemicals Corporation

Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Revision

Articles	Before	After	Description to the Amendment
Article 4	<p>III. <u>With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under these Procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.</u></p> <p><u>Where</u> the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to Subparagraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>Where</u> an audit committee has been established by the Company in accordance with the provisions of the Act, any transaction involving major assets or derivatives with an amount reaching NT\$100 million or more shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding subparagraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in <u>subparagraph 3</u> and "all directors" in the preceding subparagraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>III. Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to Subparagraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>For an audit committee has been established by the Company in accordance with the provisions of the Act, any transaction involving major assets or derivatives with an amount reaching NT\$100 million or more shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. If approval of one-half or more of all audit committee members as required in the preceding subparagraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" <u>this Article</u> and "all directors" in the preceding subparagraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>The audit committee replaces the supervisors, so the description to the supervisors is deleted</p>
Article 8	<p>II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except</p>	<p>II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300</p>	<p>An audit committee is set up to replace the supervisors, and certain content has been amended</p>

Articles	Before	After	Description to the Amendment
	<p>in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the <u>supervisors</u>:</p>	<p>million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and <u>audit committee</u>:</p>	
<p>Article 8, Subparagraph 2</p>	<p><u>Where</u> the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established by the Company in accordance with the provisions of the Act, the matters for which this Paragraph requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 4, paragraphs 3, <u>subparagraphs 4 and 5</u>.</p> <p>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in subparagraph 1 and the preceding paragraph shall be made in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the <u>supervisors</u> need not be counted toward the transaction amount.</p>	<p>For the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with relevant regulations, it shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, and <u>Subparagraphs 2 and 3</u> of Paragraph 3 of Article 4 shall apply mutatis mutandis.</p> <p>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</p> <p>The calculation of the transaction amounts referred to in subparagraph 1 and the preceding paragraph shall be made in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the <u>audit committee</u> need not be counted toward the transaction amount.</p>	<p>An audit committee is set up to replace the supervisors, and certain content has been amended</p>
<p>Article 8</p>	<p>V. When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in</p>	<p>V. When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted</p>	<p>An audit committee is set up to</p>

Articles	Before	After	Description to the Amendment
	<p>accordance with the relevant regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(I) A special reserve shall be set aside against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>(II) <u>Supervisors</u> shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</p> <p>(III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p>	<p>in accordance with the relevant regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(I) A special reserve shall be set aside against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>(II) The <u>audit committee</u> shall comply with Article 218 of the Company Act.</p> <p>(III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p>	<p>replace the supervisors, and certain content has been amended</p>
Article 9	<p>IV. Internal audit system:</p> <p>(I) The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the finance and accounting department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all <u>supervisors</u> shall be notified in writing.</p> <p><u>Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under this Subparagraph, written notice shall also be given to the independent directors.</u></p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.</u></p>	<p>(I) The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the finance and accounting department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the <u>audit committee</u> shall be notified in writing.</p>	<p>An audit committee is set up to replace the supervisors, and certain content has been amended</p>
Article 16	<p>These Procedures after being approved by the board of directors shall be submitted to each <u>supervisor</u>, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each <u>supervisor</u>.</p>	<p>These Procedures are approved by <u>more than half of all members of the audit committee</u>, which shall be submitted to the board of directors for resolution and then to the shareholders' meeting for approval for implementation. If any director expresses objection and there is a record or written statement, the Company shall submit such objection to the shareholders for discussion,</p>	<p>An audit committee is set up to replace the supervisors, and certain content has been amended</p>

Articles	Before	After	Description to the Amendment
	<p><u>Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p> <p><u>Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.</u></p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in <u>paragraph 3</u> and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	<p>and the same shall apply for amendments. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in the <u>preceding</u> paragraph and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>	
Article 17	<p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022.</p>	<p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022. <u>4th amendment on May 12, 2023.</u></p>	Added fourth amendment date

Taiwan Speciality Chemicals Corporation

Comparison Table for Procedures for Election of Directors

Articles	Before	After	Description to the Amendment
Document Titles	Procedures for Election of Directors <u>and Supervisors</u>	Procedures for Election of Directors	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 1	Purpose: To ensure a just, fair, and open election of directors <u>and supervisors</u> , these Procedures are hereby adopted.	Purpose: To ensure a just, fair, and open election of directors, these Procedures are hereby adopted.	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 2	Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors and <u>supervisors</u> shall be conducted in accordance with these Procedures.	Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 3	The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:	The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: I. Basic requirements and values: <u>For the Company, the qualifications of independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</u> <u>The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be based on the provisions of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" stipulates in Article 24.</u>	The Company elects and appoints independent directors, new regulations on the qualifications and selection of independent directors are hereby added

Articles	Before	After	Description to the Amendment
Article 4	<p>The supervisors of the Company shall meet the following standards: I. Honesty and reliance. II. Fair judgment. III. Expertise. IV. Sufficient experience. V. Capability to read and interpret financial statements.</p> <p>In addition to meeting the standards of the preceding paragraph, at least one of the Company's supervisors shall be the expert of accounting or financial professions.</p> <p>The establishment of positions of supervisors shall take reference to Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies to select appropriate supervisors to strengthen the Company's risk management and financial and operational control.</p> <p>Between supervisors or between supervisors and directors, there shall be at least one seat without any relationship of spouses or relatives within the second degree of kinship.</p> <p>The supervisors shall not be concurrently a director, a managerial officer or other staff/employee of the company. And at least one of the supervisors shall have a domicile within the territory of Taiwan to perform the supervisory function in a timely manner.</p> <p>After becoming a public company, the qualifications of independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</p> <p>After becoming a public company, the election of independent directors shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be based on the provisions of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" stipulates in Article 24.</p>	Deleted	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 5 amended as Article 4	<p>The election of directors and <u>supervisors</u> of the Company shall be conducted in accordance with the procedures for the nomination of candidates stipulated in Articles 192-1 and <u>216-1</u> of the Company Act. (Omitted) <u>If any supervisors are dismissed for any reason, resulting in the number of supervisors falls short of the Company's articles of association, a by-election at the most recent shareholders' meeting shall be held. However, when all the supervisors are dismissed, a by-</u></p>	<p>The election of directors of the Company shall be conducted in accordance with the procedures for the nomination of candidates stipulated in Article 192-1 of the Company Act.</p> <p>Deleted</p>	The audit committee replaces the supervisors, so the description to the supervisors is deleted

Articles	Before	After	Description to the Amendment
	<u>election of an extraordinary shareholders meeting shall be held within 30 days from the date of occurrence of the fact; after becoming a public company, a by-election of an extraordinary shareholders meeting shall be held within 60 days of the occurrence of the fact.</u>		
Article 6 amended as Article 5	The cumulative voting method shall be used for election of the directors and <u>supervisors</u> at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 7 amended as Article 6	The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or <u>supervisors</u> to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 8 amended as Article 7	The number of directors and <u>supervisors</u> will be as specified in the Company's articles of incorporation, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. 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 number of directors will be as specified in the Company's articles of incorporation, with <u>voting rights separately calculated</u> for director positions and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. 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 audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 8 . Article 9	Article <u>9</u> Article <u>10</u>	Article <u>8</u> Article <u>9</u>	Re-numbered Articles
Article 11 amended as <u>Article 10</u>	The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or <u>supervisors</u> and the numbers of votes with which they were elected, shall be announced by the chair on the site.	The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.	The audit committee replaces the supervisors, so the description to the supervisors is deleted
Article 12 amended as <u>Article 11</u>	Article 12 The board of directors of the Company shall issue notifications to the persons elected as directors and <u>supervisors</u> .	Article 11 The board of directors of the Company shall issue notifications to the persons elected as directors.	The audit committee replaces the supervisors, so the description to the supervisors is deleted

Articles	Before	After	Description to the Amendment
Article 12	Article <u>13</u>	Article <u>12</u>	Re-numbered Articles
Article 13	Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company. Formulated on January 6, 2017. 1st amendment on June 25, 2018. 2nd amendment on April 29, 2019. 3rd amendment on August 25, 2021.	Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company. Formulated on January 6, 2017. 1st amendment on June 25, 2018. 2nd amendment on April 29, 2019. 3rd amendment on August 25, 2021. <u>4th amendment on May 12, 2023.</u>	Added fourth amendment date

Taiwan Speciality Chemicals Corporation

Comparison Table for Rules and Procedures of Shareholders' Meeting

Articles	Before	After	Explanation
Article 3	<p>(Omitted)</p> <p>The Company shall notify the shareholders the shareholders meeting notice 20 days before the date of a regular shareholders meeting or 10 days before the date of a special shareholders meeting. In addition, 10 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. After becoming a public company, the Company 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 or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting.</p> <p>(Omitted)</p> <p>(Omitted)</p> <p>Election or dismissal of directors or supervisors, 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, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or</p>	<p>(Omitted)</p> <p>The Company shall notify the shareholders the shareholders meeting notice 20 days before the date of a regular shareholders meeting or 10 days before the date of a special shareholders meeting. In addition, 10 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. After becoming a public company, the Company 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) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. (Omitted)</p> <p>(Omitted)</p> <p>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, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>(Omitted)</p>	<p>The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.</p>

	otherwise in the same meeting. (Omitted)		
Article 6	(Omitted) The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors , 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. (Omitted)	(Omitted) The Company shall furnish attending shareholders with the meeting handbook, 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. (Omitted)	The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.
Article 7	(Omitted) 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 a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. (Omitted)	(Omitted) 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 a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. (Omitted)	The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.
Article 14	The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received. (Omitted)	The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, 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 of directors not elected and number of votes they received. (Omitted)	The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.
Article 15	(Omitted) Upon the Company becomes a public company, 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 voting results, and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors . The minutes shall be retained for the duration of the existence of the Company. (Omitted)	(Omitted) Upon the Company becomes a public company, 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 voting results, and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company. (Omitted)	The audit committee is set up to replace the supervisors, and the current supervisors are dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.
Article 21	(Omitted) During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or	(Omitted) During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is	The audit committee is set up to replace the supervisors, and the current supervisors are

	resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and <u>supervisors</u> . (Omitted)	required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. (Omitted)	dismissed simultaneously, and the provisions regarding the supervisors are deleted accordingly.
Article 24	Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022.	Formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022. <u>4th amendment on May 12, 2023.</u>	Update and revision history.

Articles of Incorporation of Taiwan Speciality Chemicals Corporation

Chapter 1. General

- Article 1: The Company is organized in accordance with the provisions of the Company Act, with its official name as "Taiwan Speciality Chemicals Corporation".
- Article 2: The Company operates the following business:
 001 CC01080 Electronics Components Manufacturing
 002 C801030 Precision Chemical Material Manufacturing
 003 ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The total amount of the Company's reinvestment in other corporates may exceed 40% of the paid-in share capital.
- Article 4: Due to business needs, the Company may endorse external guarantees.
- Article 5: The Company shall set its head office in Changhua County, and may establish branches at home and abroad with the resolution of the board of directors when necessary.

Chapter 2. Shares

- Article 6: The total capital of the Company is NT\$4 billion, which is divided into 400 million shares, and each share is NT\$10, which shall be issued in installments. Among them, NT\$100 million is divided into 10,000,000 shares, and the value of each share is NT\$10, which shall be retained for the use of employee stock option certificates and issued in installments according to the resolution of the board of directors to employees of parents or subsidiaries under certain conditions.
- Article 6-1: Upon becoming a public company, if it is planning to issue employee stock option certificates at a price lower than the net value per share in the financial report that has been verified or reviewed by CPA (the closing price on the issuance date after listing or OTC), it shall be completed with the resolution based on attendance of shareholders representing more than half of the total number of issued shares at the shareholders' meeting and the consent of more than two-thirds of the voting rights of the attending shareholders, and may be processed in installments within one year from the date of the resolution of the shareholders' meeting.
- Article 6-2: Upon the Company being listed or at OTC, if it is planning to buy back the Company's shares in accordance with the provisions of Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act, and transfer the shares to employees at a price lower than the actual average price of the shares bought back, it shall be approved in accordance with the attendance of shareholders representing more than half of the total number of issued shares at the most recent shareholders' meeting, and the consent of more than two-thirds of the voting rights of the present shareholders.
- Article 6-3: Except as otherwise provided by laws and regulations, the Company may purchase the its shares in accordance with Article 167-1 of the Company Act.
 The shares bought back by the Company under the preceding paragraph shall be assigned or transferred to its employees within three years. If such shares have not been transferred as required after expiry of the foregoing time limit, such shares shall be deemed as the shares which have never been issued. Those who are entitled for transfer of such shares may include the employees of parents or subsidiaries of the company meeting certain specific requirements. The shares bought back by the Company under Paragraph 1 of this Article shall not be entitled to exercise the rights of a shareholder in respect of such shares.
- Article 6-4: When the Company issues new shares, unless otherwise stipulated by laws and regulations, 10% to 15% of the total number of newly-issued shares shall be reserved for purchase by Company employees, and those eligible to purchase may include employees of the parents or subsidiaries who meet certain conditions.
- Article 6-5: The Company may issue new shares with restricted stock awards in accordance with Article 267 of the Company Act, and those subject to the issuance may include employees of the parents or subsidiaries who meet certain conditions.
- Article 7: The shares of the Company shall be in registered stocks and shall be issued in accordance with the laws with the signature or seal of the director(s) representing the Company. The Company may be exempted from printing any share certificate in accordance with Article 161-2 of the Company Act, provided that it shall register with a centralized securities depository institution, and the same applies to other securities.
- Article 8: Unless otherwise stipulated by laws and regulations, the handling of the Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 9: Changes to the records in the shareholders register shall be handled in accordance with Article 165 of the Company Act.

Chapter 3. Shareholders' Meeting

- Article 10: There are annual general and extraordinary shareholders' meetings. The board of directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened by the board of directors at any time as needed.
 The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- Article 11: If a shareholder is unable to attend the shareholders' meeting for any reason, he/she/it shall, in accordance with Article

177 of the Company Act, issue a power of attorney and appoint a proxy to attend.

Upon the Company becomes a public company, a shareholder may appoint a proxy to attend the meeting in accordance with the “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies” that is announced by the competent authority.

- Article 11-1: For the shareholders’ meeting held when the Company’s shares are listed or listed on OTC, the electronic means shall be listed as one of the manners for shareholders to exercise voting rights, and the method of exercise shall be specified in the notice of shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person, and their exercise of relevant regulations shall be handled in accordance with the Company Act and relevant laws and regulations.
- Article 11-2: Upon the Company becomes a public company, if it is planning to apply for the suspension of the public offering, it shall submit the application to the competent authority after reporting to the shareholders' meeting for approval in accordance with Article 156-2 of the Company Act.
- Article 12: When the shareholders' meeting is in session, a chair shall be designated in accordance with Article 182-1 of the Company Act.
- Article 13: Unless otherwise stipulated or restricted by laws and regulations, each shareholder of the Company has one voting right for each share held.
- Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.
The preparation and distribution of the minutes of meetings referred to in the preceding paragraph shall be handled in accordance with Article 183 of the Company Act.

Chapter 4. Directors and Supervisors

- Article 16: The Company shall have 5 to 9 directors on the board and 1 to 3 supervisors in place. Their term of office is three years. The shareholders’ meeting shall elect such directors from candidates with the legal capacity, and they may be re-elected. The election of directors and supervisors of the Company adopts the candidate nomination system stipulated in Articles 192-1 and 216-1 of the Company Act, and the shareholders' meeting shall elect directors and supervisors from the list of candidates.
Upon the Company becomes a public company, among the number of directors referred to in the preceding paragraph, there shall be no less than two independent directors, which shall be no less than one-fifth of the total number of seats of directors.
The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.
Upon the Company becomes a public company, an audit committee may be established in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors, the number of which shall not be less than three. The audit committee or members of the audit committee shall be responsible for performing the functions and powers of supervisors stipulated in the Company Act, Securities Exchange Act and relevant other laws and regulations.
The Company may set up a remuneration committee or other functional committees in accordance with legal regulations or business needs.
- Article 17: When the vacant seats of directors reach one-third of the total seats, a by-election shall be conducted in accordance with Article 201 of the Company Act.
- Article 18: In case election of new supervisors cannot be effected in time after expiration of the term of office of existing directors or supervisors, the existing supervisor shall continue to perform their duties until the new directors or supervisors elect has assumed their office as supervisors. However, the competent authority may order, ex officio, the company to conduct the re-election of supervisors within a given time limit. If election of new supervisors is still not effected, the existing supervisors shall be discharged, ipso facto, upon expiry of the time limit hereinabove fixed by the competent authority.
- Article 19: The directors shall organize the board of directors, and with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present, a chairman shall be elected among the directors, and all affairs of the Company shall be executed in accordance with laws, regulations, and resolutions of shareholders’ meeting and the board of directors.
- Article 20: The Company's business policy and other important matters shall be determined by the board of directors. Except for the first meeting of the board of directors in each session in accordance with Article 203 of the Company Act, the other shall be convened by the chairman who shall also serve as the chair of the meetings. When being unable to perform his/her duties, the chairman shall designate a director to act as the proxy, and if no such designation is made, the

directors shall select one proxy among themselves.

The board of directors of the Company shall hold meetings at least once a quarter. The notice of convening of the meeting of board of directors shall specify the reasons for the convening, which shall be delivered to all directors and supervisors in accordance with the laws and regulations.

In the case of emergency, a meeting of the board of directors may be convened at any time. The notice of convening of the meeting board of directors of the Company may be delivered in writing, electronically (E-mail), hardcopy faxing or computer faxing.

A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a parents or subsidiary relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Article 21: Unless otherwise provided for in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 22: Resolutions adopted at the board of directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the Company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company. The preparation and distribution of the minutes of meetings referred to in the preceding paragraph shall be handled in accordance with Article 207 of the Company Act.

Article 23: In addition to exercising supervisory powers in accordance with the laws and regulations, the supervisors may also attend the meetings of board of directors to present opinions, but may not participate in voting.

Article 23-1: The remuneration of directors and supervisors is subject to resolution by the board of directors according to the extent of their participation in the Company's business operations, their contributions and the average remuneration level among the industry.

If any director of the Company concurrently holds other positions within the Company, he/she may receive the monthly salary in accordance with the remuneration level of manager.

During the tenure of directors, the Company may purchase liability insurance for the compensation liabilities that are legally borne by the directors in the scope of their business. The insurance coverage may be determined by the board of directors, and the relevant content shall be contained in the latest board report after the insurance is purchased or renewed.

Chapter 5. Managers

Article 24: The Company may have set positions of managers, whose appointment, dismissal and remuneration shall be determined by the board of directors with the presence of more than half of the directors and the approval of more than half of the directors present.

Chapter 6. Final Accounts

Article 25: By the end of the Company's fiscal year, the board of directors shall compile the following documents and submit them to the supervisors for review and approval at the shareholders' meeting 30 days before the shareholders' meeting: I. Business report. II. the financial statements; and III. the surplus earning distribution or loss off-setting proposals.

Article 25-1: If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' and supervisors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses.

The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors and supervisors referred to in the preceding paragraph shall be paid only in cash.

By a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, the Company shall have the profit distributable as employees' compensation in the preceding two paragraphs distributed; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

Article 26: If there is a surplus earning in the Company's annual final accounts, it shall first allocate for taxes to cover accumulated losses, and then allocate 10% of the balance as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. When necessary, after the special surplus reserve is allocated or reversed according to the laws or regulations of the competent authority, if there is any surplus, it shall be added to the undistributed surplus of the previous year. The board of directors shall prepare a surplus distribution proposal to be submitted to the shareholders' meeting to determine the distribution of shareholder dividends. The Company will cooperate with business development and expansion in the future. The distribution of surplus earning shall consider the its future capital expenditure budget and funding needs, and allocate at least 50% of the distributable surplus earning every year to distribute shareholder dividends; the shareholder dividends can be distributed in cash or stock, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.

Chapter 7. Supplementary Provisions

Article 27: The Company's organizational charter and working rules shall be determined separately by the board of directors.

Article 28: Any matters not stipulated in these articles of incorporation shall be handled in accordance with the Company Act and other related laws and regulations.

Article 29: Formulated on March 21, 2013

1st amendment on May 2, 2013.

2nd amendment on June 24, 2014

3rd amendment on November 18, 2014.

4th amendment on January 6, 2017.

5th amendment on July 16, 2018.

6th amendment on April 29, 2019.

7th amendment on August 25, 2021.

8th amendment on June 17, 2022.

Taiwan Speciality Chemicals Corporation

Taiwan Speciality Chemicals Corporation Guidelines for Endorsement and Guarantee

Article 1:

These Guidelines are formulated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as the "Regulations") and related laws and regulations and in comply with the actual needs of the business. When the Company handles the endorsement/guarantee for others, it shall handle it in accordance with the provisions of these Guidelines.

Article 2: Scope

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including:
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. The Company provides personal property or real estate to establish a pledge or mortgage for the guarantee of another company's loan.

Article 3:

The Company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
 2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
 3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
- Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

The Company may not make endorsements/guarantees under any of the following situations:

1. Those who act against the company.
2. The endorsement/guarantee has exceeded the prescribed limit.
3. Those who have records of bad loans or debt disputes.
4. Those with poor credit rating.

Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of Paragraphs 1 and 2.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the public company holds 100% of the voting shares.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4: Endorsement/Guarantee Amount and Approval Authority

The total amount of the Company's external endorsement/guarantee shall not exceed 40% of the Company's net value stated in the latest financial statement audited and certified by CPA; and the amount of endorsement/guarantee for a single corporate shall not exceed 20% of the Company's net value stated in the latest financial statement audited and certified by CPA.

The total amount of the Company's and the subsidiaries' endorsement/guarantee shall not exceed 40% of the Company's net value stated in the latest financial statement audited and certified by CPA; and the amount of endorsement/guarantee for a single corporate shall not exceed 20% of the Company's net value stated in the latest financial statement audited and certified by CPA. For those who engage in endorsement/guarantee due to business relations with the Company, in addition to the above-mentioned limit, the amount of individual endorsement/guarantee shall not exceed the amount of business transactions between both parties. The amount related to business relations refers to the higher of the amount of goods purchased and sold by both parties within the latest year.

When the Company needs to apply for any endorsement/guarantee, it shall be approved by the board of directors in prior. However, in

order to meet the requirements of the time limit, the board of directors may authorize the chairman to make a decision within the following limits, and then report to the latest board of directors for ratification.

- I. The total amount of the external endorsement/guarantee shall be within 30% of the Company's latest net worth or audited financial statements that has been audited and verified by CPAs.
- II. The amount of external endorsement/guarantee for each single corporate shall be within 15% of the Company's latest net worth or audited financial statements that has been audited and verified by CPAs.

Before making any endorsement/guarantee pursuant to Article 3, paragraph 2, a subsidiary in which the company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the company's board of directors for a resolution.

Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Where an audit committee has been established in accordance with the provisions of the relevant regulations, when handling endorsement or guarantee they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

Article 5: Procedures for Endorsement/Guarantee

1. Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies to obtain the authorization and approval based on Article 4 herein. When any company that meets the Company's requirements on endorsement/guarantee intends to apply for any endorsement/guarantee, it shall fill in the "Endorsement/Guarantee Application" (FR00201), and provide basic information and related financial information explaining the purpose and total amount of the endorsement/guarantee and attach relevant instruments or deeds to be submitted to the Finance and Accounting Department of the Company.
2. The Finance and Accounting Department shall conduct credit investigation and risk assessment on the company subject to endorsement/guarantee, and the assessment shall include:
 - (1) The necessity of and reasonableness of endorsements/guarantees.
 - (2) Use the financial status of the endorsed/guaranteed company to evaluate whether the endorsement/guarantee amount is necessary.
 - (3) Whether the accumulated endorsement/guarantee amount is within the limit.
 - (4) Where an endorsement/guarantee is made due to needs arising from business relations, evaluation shall be conducted for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies.
 - (5) Impact on the company's business operations, financial condition, and shareholders' equity.
 - (6) Whether collateral must be obtained and appraisal of the value thereof.
 - (7) Attach the records of credit status and risk assessment of the entity for which the endorsement/guarantee is made.
 - (8) If the endorsement/guarantee subject is a subsidiary whose net worth is less than 50% of the paid-in capital, the Company shall obtain its financial information every month, understand its financial situation, and respond to changes at any time. If the subsidiary's share has no par value or a par value other than NT\$10, the calculation shall be based on its share capital plus capital reserve- issuance premium.
3. The handling staff shall submit the review opinions and instruments or deeds to the chairman of the board of directors for review step by step in accordance with these Guidelines, and then submit to the board of directors for approval for further implementation. If it remains within the authorized amount, the chairman will make a decision discretionally according to the creditability and financial status of the endorsed/guaranteed party and then report it in the most recent board meeting for ratification. The person in-charge shall authorize the handling personnel to fill in the notice to notify the applicant company according to the resolution, and submit to the Finance and Accounting Department the original copy of the "Endorsement/Guarantee Application" for handling various procedures and compiling the records. If the endorsement/guarantee proposal fails to pass the review, the responsible person shall authorize the handling staff to fill in the review notice to state the reasons, and return it to the applicant company together with the "Endorsement/Guarantee Application".
4. When the applicant company receives the review results that approve the endorsement/guarantee, it shall immediately provide collateral or handle pledge and mortgage according to the application content, and then visit the Finance and Accounting Department for handling various procedures.
5. The instruments or deeds endorsed/guaranteed by the chairman or the board of directors may be returned to the guaranteed company after completing the following procedures:
 - (1) Affix the company official seal.

- (2) Photocopy the instruments or deeds of endorsement/guarantee and related documents and keep them for future reference.
6. After the endorsed/guaranteed company has completed guarantees, pledges, and mortgages, the Finance and Accounting Department shall properly keep the relevant collateral, instruments and other documents, and check the endorsement/guarantee subject, amount, date of approval by the board of directors or decision of the chairman, date of endorsement/guarantee, the content of the collateral and its appraised value, the conditions and dates for the release of the endorsement/guarantee liability, and the matters that shall be prudently evaluated in accordance with the provisions of Paragraph 2, which shall be listed in the "Endorsement/Guarantee Checklist" (FR00202) for reference, and announcements shall be made in accordance with relevant laws and regulations.
7. Cancellation of endorsement/guarantee
- (1) If the instrument or deed of endorsement requires to be canceled due to debt repayment or renewal, the guaranteed company shall prepare the document to send the original endorsement instrument or deed to the Finance and Accounting Department of the Company, and return it after affixing it with the seal of "cancelled" for future reference.
- (2) The Finance and Accounting Department shall in a timely manner record the cancellation date and reason on the "Endorsement/Guarantee Checklist" and decrease the accumulated endorsement amount. When the instrument is extended for renewal, if it is required by the financial authority that the new instrument shall be endorsed first and then the old instrument be returned, the Finance and Accounting Department shall establish a tracking record to recover and cancel the old instrument as soon as possible.

Article 6: Procedures for use and custody of corporate chops

The corporate chops for external guarantee shall be the corporate chops registered by the Ministry of Economic Affairs as the exclusive corporate chops, which shall be kept by a person approved by the board of directors. In addition, the use and preservation procedures of corporate chops shall comply with the "Procedures for Management of Corporate Chops" formulated by the Company. When a foreign company performs guarantee, the guarantee letter issued by the company shall be signed by a person authorized by the board of directors.

Article 7: Subsidiaries of the Company intend to endorse or provide guarantees for others

1. The subsidiary shall be ordered to formulate the "Guidelines for Endorsement and Guarantee" in accordance with the provisions of these Regulations, and shall handle the matter in accordance with the established Guidelines for Endorsement and Guarantee.
2. The establishment, amendment, and planning of the subsidiary's "Guidelines for Endorsement and Guarantee" shall be unanimously agreed by the Company's appointed director representative of such subsidiary.
3. If a subsidiary has endorsed/provided guarantees for others, it shall prepare a list of endorsements and guarantees for others in the previous month no later than the tenth day of each month, and submit such list to the Company. If a subsidiary of the Company is not a domestic public company, and the amount of endorsement/guarantee reach the amount stated in Article 10 which is subject to announcement and reporting, it shall notify the company on the date of occurrence, and the company shall handle the announcement and reporting on the designated website in accordance with the regulations.
4. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of endorsement/guarantee for others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and supervisors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.

Article 8:

The internal auditors of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform each supervisor in writing for any major violation identified.

Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.

Where independent directors have been appointed by the Company in accordance with the provisions of the Act, relevant improvement plan formulated shall also be given to the supervisors, and the improvement shall be completed according to the planned schedule. If the Company appoints independent directors according to the regulations, it shall submit the relevant improvement plan to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.

The company shall evaluate or recognize the contingent loss of the endorsement/guarantee, disclose the endorsement/guarantee information in the financial report, and provide relevant information to the independent auditor for the performance of necessary auditing procedures.

Article 9:

Where managers and sponsors violate the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or these Guidelines, they will be punished in accordance with the Company's working rules depending on the severity of the violation's impact on the Company's operations.

Article 10: Announcement and reporting procedures

After the Company becomes a public company, the balance of the Company's and its subsidiaries' endorsement/guarantees for the

previous month shall be entered into the information reporting website designated by the competent authority for announcement and declaration before the tenth day of each month.

The Company whose balance of endorsements/guarantees reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The balance of the endorsements/guarantees of the Company and subsidiaries reaches 50% or more of the company's net worth as stated in the latest financial statements.
2. The balance of endorsement/guarantee by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
3. The balance of endorsements/guarantees of the Company and subsidiaries for a single enterprise reaches NT\$10 million or more and the total amount of the endorsements/guarantees, book amount of investment under equity method, and balance of loans for the said single enterprise reaches 30% or more of the company's net worth as stated in the latest financial statements.
4. The new endorsements/guarantees amount reaches NT\$30 million or more that is equivalent to 5% or more of the Company's or its subsidiaries' net worth as stated in the latest financial statements.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

The term "Date of Occurrence" herein refers to the date of contract signing, date of payment, board meeting resolution date, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.

Article 11: Entry into Force and Amendment

These Guidelines shall be resolved by the board of directors and then submit it to each supervisor and the shareholders meeting for approval. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to each supervisor and the shareholders meeting for discussion, so are the amendments.

Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, when these Guidelines re adopted or amended, they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained in advance, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 12:

Matters not covered in these Guidelines shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

Taiwan Speciality Chemicals Corporation Procedures for Loaning of Funds

Article 1:

These Procedures are formulated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as the "Regulations") and related laws and regulations and in comply with the actual needs of the business. The Company shall handle loans of funds in accordance with the provisions of these Procedures.

Article 2: Subjects for Receiving Loans of Funds

Except for the following circumstances, the Company's funds shall not be loaned to shareholders or any other person who are:

- I. Where an inter-company or inter-firm business transaction with the Company calls for a loan arrangement; or
- II. Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

The term "short-term" as used in the preceding paragraph means one year, or where the company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" as used in paragraph 1, sub-paragraph 2 of this Article means the cumulative balance of the Company's short-term financing.

When a responsible person of the Company violates paragraph 1 of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Procedures means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 3: Evaluation standards for loaning funds to others

- I. The Company and other companies or firms engaging in loans of funds due to business relationship (the business relationship refers to the fact that both parties have purchased from or sold goods to each other) shall handle relevant affairs in accordance with the provisions of Article 4.
- II. Loans may be granted due to short-term financing need only under one of the following circumstances:
 - (I) A subsidiary of the Company of which the Company holds 50% or more of its shares having a business need for short-term financing; or
 - (II) Where short-term financing is required for a company or business due to purchase of materials or operational needs; or
 - (III) Where the loan is approved by the Board of Directors of the Company.

Article 4: Limits on the total amount of fund loans to individual subject

- I. The total amount of funds loaned by the Company shall not exceed 40% of its net worth stated in the latest financial statements audited and verified by the CPAs. Depending on the reason for the loan, the loan limit for individual subject is as follows:
 - (I) For companies or firms that have business relations with the Company, the total amount of fund loans shall not exceed 20% of the Company's net worth, and the amount of individual loans shall not exceed 10% of the Company's net worth or the amount of business transactions between the both parties, whichever is the lower. The amount related to business relations refers to the higher of the amount of goods purchased and sold by both parties within the latest year.
 - (II) For short-term financing of funds with other companies or firms, the total amount of fund loans shall not exceed 40% of the Company's net worth, and the amount of each individual loans shall not exceed 10% of the Company's net worth.
- II. Where the Company engages in fund loans among foreign companies whose 100% of voting shares are directly or indirectly held by the Company or fund loans between the Company and foreign companies whose 100% of voting shares are directly or indirectly held by the Company, the total amount of the fund loans shall not exceed 20% of the Company's net worth; and the individual loan amount shall not exceed 10% of the Company's net worth.
- III. Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with the preceding subparagraph.

Article 5: Procedures for handling loans of funds

I. Credit assessment

When the borrower applies for a loan from the Company, the handling staff shall make preliminary contact to understand the use of funds and the latest business and financial status in advance. If it is feasible, the "Application for Fund Loan and Relevant

Matters" (FR00301) shall be delivered to the borrower to fill in to provide basic and financial information, so that the Financing and Accounting Department may handle credit investigation and risk assessment. The assessment items shall at least include:

- (I) The necessity of and reasonableness of extending loans to others.
- (II) The financial status of the recipient of the loan is used to measure whether the amount of the loan is necessary.
- (III) Whether the accumulated fund loan amount is still within the limit.
- (IV) Impact on the Company's business operations, financial condition, and shareholders' equity.
- (V) Whether collateral must be obtained and appraisal of the value thereof.
- (VI) Submit the credit and risk assessment records of the fund loans and counterparty.

II. Loan Approval

- (I) For credit assessment results, cases with good credit rating and legitimate loan purpose, the handling personnel shall submit the credit investigation report, opinions and proposed loan conditions to the chairman of the board of directors for review step by step according to this operating procedure, and then submit the case. The loan can only be granted after the resolution of the board of directors is passed, and no other third party can be authorized to make a decision.
- (II) If the company has independent directors appointed, the opinions of each independent director shall be fully considered at the discussion session of the board meeting. The clear consent or opposition and the reasons for an objection of the independent director shall be stated in the board meeting minutes.
- (III) Where an audit committee has been established in accordance with the provisions of the relevant regulations, when handling material loans they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

III. Approval notice

- (I) After the loan is approved, the handling staff shall notify the borrower by letter or telegram as soon as possible. Describe the Company's loan conditions in detail, including the amount, term, interest rate, collateral and guarantor, etc., and the borrower shall sign a contract within the time limit and complete all procedures.
- (II) After the credit assessment, if it is intending not to grant the loan to the borrower having a poor credit rating, the handling staff shall reply to the borrower as soon as possible after signing and approving the reason for the refusal.

IV. Contract Signing and Identity Verification

- (I) For cases of fund loans, the handling staff shall draw up the terms of the contract, which shall be reviewed by the unit head, and if necessary, shall be submitted to the legal counsel for opinions before the signature.
- (II) The content of the contract shall be consistent with the approved loan conditions. After the borrower and the joint guarantor have signed the contract, the handling staff shall complete the identity verification procedures.

V. Setting up collateral rights

If a loan case requires a property guarantee, the borrower shall provide the collateral and conduct the formalities of setting up the pledge or mortgage to ensure the Company's creditor's rights.

VI. Insurance

- (I) Except for land and securities, all collaterals should be insured for fire insurance, and vessels and vehicles shall be insured against all risks. The insurance amount should not be lower than the value of the collateral. The name, quantity, storage location, insurance conditions and insurance endorsement of the subject matter mentioned above should be consistent with the original loan conditions of the Company; If the building has not been assigned a house number when it is set up, its address shall be marked with the lot and land number where it is located.
- (II) The handling staff shall be aware of notification to the borrower to continue purchasing the insurance before the insurance period expires.

VII. Appropriation

After the loan case is approved, the borrower shall sign the contract and submit promissory notes to the depositary (or make installment repayment), and completes all the procedures for the registration of collateral (pledge) setting, and the funds may be appropriated after confirming that there is no error.

VIII. The Company that engages in short-term financing under Article 2, paragraph 4, in addition to complying with the preceding 7 paragraphs, furthermore shall perform enhanced risk assessment for, respectively, unsecured financing, financing to enterprises in any single industry, and financing to any single group of affiliated enterprises or members of a single corporate group, and shall prescribe limits on the amounts that may be loaned in such financing.

Article 6: Duration of Loans and Calculation of Interest

- I. The term of the Company's fund loans shall not exceed one year. If it needs to exceed one year, the loans shall be renewed after being approved by the board of directors. However, if it is a short-term financing, the total loan period shall not exceed one year.
- II. Fund loans and floating interest rate calculation shall be adjusted by the Financing and Accounting Department according to the company's capital cost, and submitted to the general manager for approval before implementation.
- III. The above-mentioned interest receivable shall be settled once a month.
- IV. Where the Company engages in fund loans among foreign companies whose 100% of voting shares are directly or indirectly held by the Company or fund loans between the Company and foreign companies whose 100% of voting shares are directly or indirectly held by the Company, the term of such loan shall be the period required by the borrowing company, but the maximum period shall not exceed 3 years.

Article 7: Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.

- I. After the loan is granted, always pay attention to the financial, business and credit status of the borrower and the guarantor. If there is any collateral provided, it should also pay attention to whether there is any change in the value of the collateral. In case of major changes, it should be notified immediately to the chairman of the board, and handled appropriately according to instructions. Two months before the due date of the loan, the borrower shall be notified to pay off the principal and interest by the due date or to handle the extension procedure.
- II. When the borrower repays the loan when the loan is due, the interest payable shall be calculated first, and the promissory note, promissory note and other certificates of credit may be canceled and returned to the borrower after the principal and interest are paid off together.
- III. If the borrower applies for cancellation of the mortgage right, he shall first check whether there is any loan balance before deciding whether to agree to cancel the mortgage right.
- IV. If the borrower fails to repay the loan when it is due and fails to complete the application for extension within two months, the company may directly dispose and recover the collateral or guarantor provided by the borrower according to law.

Article 8: Compilation and Archiving of Cases

For the loan cases handled by the persons in-charge themselves, after the loan is allocated, they shall sort out the creditor's rights certificates such as the contracts, promissory notes, as well as collateral certificates, insurance policies, and correspondence documents, etc., and put them in the storage bag, and after marking the content of the objects retained and the name of the customer on the bag, it shall be sealed upon the confirmation of the inspection, and the seal of the contractor and the supervisor shall be affixed at the edge of two pages, and it will be registered in the retained objects register for archiving.

Article 9: Internal Control

- I. The Finance and Accounting Department shall establish a reference book for the loan of funds, which shall include the subjects of the loans, the loan amount, the date of approval by the board of directors, the date of the loans, the expected collection date, the balance as of the end of the very month and the status of the guarantee, and the requirements in accordance with the provisions of Article 5. Details of prudent assessments shall be published for reference; and the "Checklist for Funds Loans to Others" (FR00302) shall be prepared on a monthly basis.
- II. The internal auditors of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform each supervisor in writing for any major violation identified. Where independent directors have been appointed by the Company in accordance with the provisions of the Act, written notice shall also be given to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.
- III. If the Company Changes anything due to circumstances, resulting to the situation in which the loan recipient cannot comply with the provisions of Article 2 of these Procedures or the balance exceeds the limit, it shall formulate an improvement plan and submit the relevant improvement plans to supervisors, and complete the improvement according to planned scheduled. Where independent directors have been appointed by the Company in accordance with the provisions of the Act, relevant improvement plan shall also be given to the independent directors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.
- IV. The Company shall evaluate situation of fund loans and provide adequate allowance for bad debts., disclose the endorsement/guarantee information in the financial report, and provide relevant information to the independent auditor for the performance of necessary auditing procedures.

Article 10: For subsidiaries of the Company that intend to lend funds to others

- I. The subsidiary shall be ordered to formulate the "Procedure for Lending Funds to Other Parties" in accordance with the provisions of these Guidelines, and shall handle relevant matters in accordance with the established Procedure for Lending Funds to Other Parties.
- II. The establishment, amendment, and planning of the subsidiary's "Procedure for Lending Funds to Other Parties" shall be unanimously agreed by the Company's appointed director representative of such subsidiary.
- III. If a subsidiary has fund loans to others, it shall prepare a list of fund loans to others in the previous month no later than the tenth day of each month, and submit such list to the Company. If a subsidiary of the Company is not a domestic public company, and the amount of loans reach the amount stated in Article 12 which is subject to announcement and reporting, it shall notify the company on the date of occurrence, and the company shall handle the announcement and reporting on the designated website in accordance with the regulations.
- IV. When the Company's auditors carry out relevant audits of subsidiaries in accordance with the annual audit plan, they shall also understand the implementation of the subsidiary's procedures of loans to others. If there are deficiencies found, they shall continue to track the improvement and make a follow-up report to the board of directors and supervisors. Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.

Article 11

When managers and organizers violate these Procedures, they shall be punished according to the Company's working rules depending on the severity of the violation affecting the Company's operations.

Article 12: Announcement and Reporting Procedures

After the Company becomes a public company, the funds loaned and balance of the Company's and its subsidiaries' endorsement/guarantees for the previous month shall be announced before the tenth day of each month.

If the loans of funds of the Company reach one of the following levels, it shall announce and report such event within two days commencing immediately from the date of occurrence:

- I. The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
- II. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
- III. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

Date of occurrence of Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Article 13: Entry into Force and Amendment

These Procedures shall be resolved by the board of directors and then submit it to each supervisor and the shareholders meeting for approval. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to each supervisor and the shareholders meeting for discussion, so are the amendments.

Where the Company has appointed independent directors, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting.

Where the Company has established an audit committee, when it adopts or amends these Procedures, it shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 14

Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.

Formulated on January 6, 2017.

1st amendment on June 25, 2018.

2nd amendment on April 29, 2019.

3rd amendment on August 25, 2021.

Taiwan Speciality Chemicals Corporation

Regulations Governing the Acquisition and Disposal of Assets

Article 1 Legal Basis:

Regulations Governing the Acquisition and Disposal of Assets by Public Companies are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act") promulgated by the Financial Supervisory Commission (FSC) and related regulations and their respective amendments.

Article 2 Scope of Assets:

The term "assets" as used in these Regulations includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

The matters related to the acquisition and disposal of these assets shall be handled in accordance with these Procedures.

Article 3 Definitions:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Amendment to the Operational procedures for Acquisition and Disposal of Assets:

- I. The acquisition or disposal of various assets of the Company shall be approved in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities".
- II. Assessment Procedures and Processes
 - (I) Acquisition of relevant assets:

1. For securities investor, the Finance and Accounting Department shall be responsible for the assessment.
2. For real estate, equipment, and right-of-use assets, the capital expenditure plan shall be formulated in prior by each unit, and the capital expenditure budget shall be compiled after the feasibility assessment is submitted to the Finance and Accounting Department, and then approved in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities" (FP007), and executed and controlled according to the content of the plan.
3. The Finance and Accounting Department shall be responsible for long-term equity investment. After the feasibility assessment, it can only be approved in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities".
4. Memberships and intangible assets such as patents, copyrights, trademarks, and franchises, etc., shall be submitted to the research and development unit for feasibility assessment, and then approved in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities".
5. For a research and development contract, the research and development unit shall conduct a feasibility assessment and then approve it in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities".

(II) Disposal of assets:

1. For assets that are real estate or right-of-use assets, the user unit shall fill in an application form or apply for project application, which shall state the reason for disposal and the method of disposal, etc., and submit it to the Finance and Accounting Department for appraisal, whose approval shall be subject to the provisions of the "Guidelines for Hierarchical Responsibilities".
2. For long-term equity investment or short-term securities investors, the Financing and Accounting Department shall be the responsible unit.
3. Intangible assets such as memberships, patents, copyrights, trademarks, and franchises, etc. shall be assessed by the research and development unit.
4. Research and development contracts shall be assessed by relevant business units.

(III) After the evaluation work is completed, the evaluation unit shall submit the data for approval in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities" to the relevant departments for execution.

- III. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under these Procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to Subparagraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established by the Company in accordance with the provisions of the Act, any transaction involving major assets or derivatives with an amount reaching NT\$100 million or more shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding subparagraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in subparagraph 3 and "all directors" in the preceding subparagraph shall be counted as the actual number of persons currently holding those positions.

Article 5 The methods and references for determining the price of assets acquisition or disposal are as follows:

- I. In acquiring or disposing of real property, equipment, or right-of-use assets, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, it shall based on paragraph 1 of Article 6 obtain an appraisal report, the appraisal results shall be adopted as the basis for to determine the price, and the level to determine price shall be authorized by the board of directors.
- II. The prices of securities acquired or disposed of at centralized trading markets and over-the-counter trading centers shall be determined according to market transaction prices.
- III. For securities acquired or disposed of in a non-centralized trading market, a reasonable price shall be evaluated by the Financing and Accounting Department in accordance with Article 4 and Paragraph 1 of Article 6 for reference of negotiation of price, and then the price shall be determined according to the negotiation between the buyer and the seller.

Article 6 Acquisition of expert reports:

When the Company acquires or disposes of assets, it shall appoint objective, impartial and independent experts to issue reports according to the types of assets in accordance with the following regulations:

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic

government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

When the Company is acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of FSC.

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The calculation of the transaction amounts mentioned above shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and

reasonable, and that they have complied with applicable laws and regulations.

Article 7 Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities:

- I. The total amount of real estate and right-of-use assets or securities that the Company may purchase for non-business use shall not exceed 150% of the paid-in capital or 100% of the net value in the latest financial statement (whichever is higher), the investment in individual securities shall not exceed 100% of the paid-in capital in the latest financial statement; and the total amount of short-term investment and undisposed idle assets or real estate held shall not exceed 70% of the shareholder's equity in the latest financial statement.
- II. The total amount of real estate and right-of-use assets or securities that each of the subsidiaries may purchase for non-business use shall not exceed 150% of the paid-in capital or 100% of the net value in the latest financial statement (whichever is higher), the investment in individual securities shall not exceed 100% of the paid-in capital in the latest financial statement; and the total amount of short-term investment and undisposed idle assets or real estate held shall not exceed 70% of the shareholder's equity in the latest financial statement.

Article 8 Procedures for handling related party transactions:

- I. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with relevant regulations. The calculation of the transaction amounts mentioned above shall be done in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:
 - (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (II) The reason for choosing the related party as a transaction counterparty.
 - (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.
 - (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
 - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 4 delegate the board chairman to decide such matters when the transaction is within an amount not exceeding NT\$ 100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to provisions herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established by the Company in accordance with the provisions of the Act, the matters for which this Paragraph requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 4, paragraphs 3, subparagraphs 4 and 5.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public

company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in subparagraph 1 and the preceding paragraph shall be made in accordance with Article 13, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.

- III. When the Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
- (I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.
"Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in this Paragraph.

When the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs, it shall also engage a CPA to check the appraisal and render a specific opinion.

When the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 2, and this Paragraph does not apply:

- (I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- (II) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- (III) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- (IV) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

- IV. If the Company's appraisal conducted in accordance with subparagraphs 1 and 2 of paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where the Company is acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the

acquisition of the real property or obtainment of the right-of-use assets thereof.

V. When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the relevant regulations are uniformly lower than the transaction price, the following steps shall be taken:

- (I) A special reserve shall be set aside against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (II) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
- (III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If the Company has set aside a special reserve under subparagraph 5 of this Article, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with this paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 9 Procedures for Financial Derivatives Transactions:

I. Trading principles and strategies:

The Company's profits shall be from normal business operations, and the operations through derivatives are only aiming at hedging the risks related to exchange or interest rate in business operations and capital movement. The Company shall not engage in any transaction-oriented or speculative transactions, and the hedging tools held shall be in line with the Company's actual hedging needs. These Procedures are hereby formulated to ensure that the Company can manage various derivative transactions to implement information disclosure and investors protection.

(I) Types of transactions: Derivatives referred in these Procedures include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The Company's operations, including the following businesses, involve both exchange rates and interest rates.

1. Sales revenue.
2. Expenditures such as purchasing goods and equipment.
3. Long- and short-term loans.
4. Other internal and external transactions.

The Company engages in the trading of derivatives only for the purpose of hedging. The transaction types of these Procedures are mainly as follows:

Spot \ Type	Forward Contract	Option	Financial Swap
Exchange Rate	Forward Foreign Exchange Contract	Foreign Exchange Option	1. Currency Swap 2. Interest Rate Currency Swap
Interest Rate	Forward Rate Contract	Interest Rate Option	1. Interest Rate Swap 2. Interest Rate Currency Swap

(II) The Company's business operation or hedging strategies for derivatives trading:

1. Set the total contract amount of the trading, as well as the upper limit of all and individual contract losses (i.e. the stop loss point).
2. Regularly evaluate the profit and loss and performance status of derivatives.
3. Strictly evaluate the credit status and professional ability of the transaction counterparty.
4. All transactions and related operations are handled in accordance with relevant laws and regulations.
5. Hedging strategies:

- (1) For assets or liabilities held by the Company and future needs, in consideration of future market changes, two types of transactions, "segmented" and "selective", are adopted for hedging operations.
 - (2) Due to the change of the objective environment, the operation manner of "hedging" or "anti-hedging" may be adopted alternately to mitigate losses and risks for the Company.
 - (3) Based on changes in the objective environment enter the market to engage in derivative trading to avoid operational financial risks, so as to lock in or mitigate non-operating losses for the Company.
- (III) The division of powers and responsibilities of the Company in derivatives transactions is as follows:
1. Powers and responsibilities of the board of directors:
 - (1) Approve the transaction procedures and submit them to the shareholders' meeting for resolution, and the same shall apply upon amendment.
 - (2) On a regular or provisional basis convene the meetings of board of directors according to the status of the case, and the chairman shall report to the board of directors the performance of derivatives transactions.
 - (3) When the Company engages in derivatives transactions, the responsibilities and powers authorized by the board of directors to the chairman are as follows:
 - A. Approval of the list of transaction objects and commodity categories.
 - B. Approval of the list of transaction counterparties and the upper limit of transaction counterparties.
 - C. Approve each individual transaction within the scope of the authorized amount.
 2. Powers and responsibilities of the president and chairman:
 - (1) Submit the transaction of derivatives to the board of directors for resolution.
 - (2) Approval of derivative transactions approved by the board of directors.
 - (3) On a regular or random basis report to the board of directors the derivatives performance and the implementation results.
 3. Powers and responsibilities of the cashier of the Financing and Accounting Department:
 - (1) Execution of approved derivative transactions.
 - (2) Collect foreign exchange market information from time to time to determine the trends and risks, familiarize with financial instruments and related laws and regulations, and operation skills, etc., and conduct transactions in accordance with the designated authorized position by the head of responsible unit to avoid the risk of market price fluctuations.
 - (3) Immediately record the transaction occurrences on a daily basis, and verify their correctness with the accounting documents.
 - (4) Archive daily transaction records sequentially.
 - (5) Periodic assessment: Assess and review operation performance on a weekly and monthly basis, and report the summary results to the president and chairman.
 4. Powers and responsibilities of the Finance and Accounting Department:
 - (1) Bookkeeping and preparation of financial statements in accordance with GAAP or International Financial Reporting Standards (IFRSs) recognized by the Financial Supervisory Commission, storage of transaction contracts and transaction certificates, and regular announcements and reports.
 - (2) Disclose the Company's transaction information in the financial report.
- (IV) Performance evaluation:
1. Non-trading purposes or hedging transactions:
 - (1) Based on the Company's book exchange rate, interest rate cost and profit and loss arising from derivative transactions as the basis for performance evaluation.
 - (2) In order to fully grasp and express the assessment risk of the transaction, the Company adopts the method of monthly assessment to evaluate the profit and loss.
 - (3) The cashier of the Financing and Accounting Department shall provide foreign exchange position assessment, foreign exchange market trend and market analysis to the president and chairman as management reference and instructions.
 2. Non-trading purposes or hedging transactions:

The Company shall not engage in derivative transactions for the purpose of trading or non-hedging.
- (V) The total amount of the contract and the upper limit of losses for the Company's derivatives:
1. Total amount of the contract:

The total amount of contracts engaging in derivatives transactions shall not exceed 100% of the Company's net worth stated in the latest financial statements audited and verified by CPAs.

Authorization Amount:

Levels	Daily Trading Upper Limit
Board of Directors	US\$1 million (not included) and above
Chairman	US\$1 million (included) and below

2. Loss Upper Limit:

The upper limit of individual contract losses shall not exceed 20% of the individual contract amount; and the upper limit of all contract losses shall not exceed 20% of the total contract amount.

II. Risk management measures:

(I) Risk management scope:

1. Credit risk: The trading counterparties shall be limited to internationally renowned and credit-worthy banks interacting with the Company, and the principle shall be able to provide professional information, and the statement of the transaction shall be provided on a regular basis.
2. Market price risk: Mainly financial products commonly traded internationally, and reduce the use of specially-designed products.
3. Liquidity risk: Banks with large trading volume and strong quotation ability.
4. Cash flow risk: In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivatives transactions is limited to its own funds, and the operating amount shall consider the capital needs of the next three months.
5. Operation risk: Strictly abide by the authorized quota and operation process to avoid operation risk.
6. Legal risk: The documents signed with the transaction counterparties shall be mainly the common contracts in the market, and any unique contracts should be reviewed by legal counsel or lawyers.

(II) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the president or the chairman with no responsibility for trading or position decision-making.

(IV) Derivatives trading positions held shall be evaluated at least once per week. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

III. Operating procedures:

(I) Confirm the trading position.

(II) Analysis and determination of relevant trends.

(III) Determining the specific method of hedging:

1. Trading object
2. Trading position
3. Target price and range
4. Trading strategy and type.

(IV) Obtain approval for transactions.

(V) Execution of transactions:

1. Trading counterparty: Financial institutions at home and abroad that have been assessed by the Company, otherwise, the president shall report to the chairman for approval.
2. Trading staff: The staff of the Company who can execute derivatives transactions shall sign the approval of the chairman and report to the board of directors, and then notify the financial institutions that the Company frequently interacts with. Without the consent of the above-mentioned staff, no one is allowed to engage in transactions.

(VI) Transaction confirmation: After the transaction, the trading staff shall fill in the transaction receipt, and the confirmation staff will confirm that the conditions of the transaction are consistent with the transaction receipt, and send it to the responsible unit head for approval.

(VII) Settlement: After the transaction is confirmed to be correct, the Financial and Accounting Department shall prepare the price and relevant documents by the designated settlement staff on the settlement date, and conduct settlement at the agreed price.

(VIII) Before the tenth day of each month, the Company shall, in accordance with regulations, make an announcement of the relevant content of the Company's derivatives transactions in the previous month, along with the operation status of such month.

IV. Internal audit system:

(I) The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the finance and accounting department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

Where independent directors have been appointed in accordance with the provisions of the Act, for matters for which notice shall be given to the supervisors under this Subparagraph, written notice shall also be given to the independent directors.

Where an audit committee has been established in accordance with the provisions of the Act, the above-mentioned provisions relating to supervisors shall apply mutatis mutandis to the audit committee.

(II) The internal auditors shall submit the audit report on derivatives trading along with the internal audit report and the implementation of the annual audit plan to the FSC before the end of February each year.

(III) The internal auditors shall report the improvement of abnormalities in the derivatives trading procedures to the FSC for future reference before the end of May each year.

V. Regular evaluation methods and the handling of irregular circumstances.

(I) Senior executives authorized by the board of directors should always pay attention to the supervision and control

of derivatives trading risks, and should regularly monitor and evaluate whether the performance of the Company's derivatives transactions complies with the established operating policies and whether the risks assumed are within the Company's risk tolerance, if any abnormal situation is discovered, necessary countermeasures shall be taken and immediately reported to the board of directors. If the Company has established independent directors, the board of directors shall have independent directors present and express their opinions.

- (II) The trading unit shall prepare a risk assessment report quarterly and send it to the auditing unit for reference. The content of the report shall include financial risk management (that is, credit, market price, liquidity, cash flow operations, and legal risks).
- (III) Trading units shall evaluate at least once a week depending on the number of positions held and market changes. However, if the hedging transaction is required for business, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the president and chairman.
- (IV) If the company's derivatives transactions involve legal matters, it may consult external legal counsel.
- (V) The Company engages in derivatives trading shall establish a log book (FR00401) in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

Article 10: Procedures for handling memberships and creditor's rights of financial institutions:

In principle, the Company does not engage in transactions of acquiring or disposing of memberships and creditor's rights of financial institutions. If it is required to engage in such transactions later due to business needs, it will be submitted to the board of directors for approval before formulating relevant operating procedures.

Article 11 Procedures for handling mergers, divisions, acquisitions, and share transfers:

- I. When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- II. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
- III. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- IV. When the Company is participating in a merger, demerger, acquisition, or transfer of shares, it shall prepare a full written record of the following information and retain it for 5 years for reference.
 - (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is

- listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in items 1 and 2 of the preceding subparagraph to the FSC for recordation. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the above-mentioned provisions.
- V. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
 - VI. When the Company participates in a merger, demerger, acquisition, or transfer of shares, it may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (II) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
 - VII. The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (I) Handling of breach of contract.
 - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (IV) The manner of handling changes in the number of participating entities or companies.
 - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
 - VIII. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
 - IX. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraphs 3, 4, 5 and 8 of this Article.

Article 12 Control procedures for the acquisition and disposal of assets by subsidiaries:

- I. Subsidiaries shall also formulate procedures for the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" stipulated by the Financial Supervisory Commission.
- II. When a subsidiary acquires or disposes of assets, it shall provide relevant information to the Company for verification.
- III. If a subsidiary of the company is not a domestic public company, and its acquisition or disposal of assets meets the standards for announcement and reporting, it shall notify the company on the date of occurrence, and the company shall handle the announcement and reporting on the designated website in accordance with the regulations. The regulations on paid-in capital or total assets in the subsidiary's announcement and reporting standards shall be based on the Company's paid-in capital or total assets.

Article 13: Information Disclosure

Under any of the following circumstances, when the Company is acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by

regulations and based on its nature within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

For the Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 15 Penalties for violations by managers and handling staff:

When the Company's managers and sponsors violate these Procedures, they shall be reported for assessment according to the Company's employee handbook, and punished according to the severity of the violation circumstances.

Article 16 Implementation and Amendment

These Procedures after being approved by the board of directors shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 17 Miscellaneous

Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

Taiwan Speciality Chemicals Corporation Procedures for Election of Directors and Supervisors

Article 1

Purpose: To ensure a just, fair, and open election of directors, these Procedures are hereby adopted.

Article 2

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. International market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4

The supervisors of the Company shall meet the following standards:

- I. Honesty and reliance.
- II. Fair judgment.
- III. Expertise.
- IV. Sufficient experience.
- V. Capability to read and interpret financial statements.

In addition to meeting the standards of the preceding paragraph, at least one of the Company's supervisors shall be the expert of accounting or financial professions.

The establishment of positions of supervisors shall take reference to Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies to select appropriate supervisors to strengthen the Company's risk management and financial and operational control.

Between supervisors or between supervisors and directors, there shall be at least one seat without any relationship of spouses or relatives within the second degree of kinship.

The supervisors shall not be concurrently a director, a managerial officer or other staff/employee of the company. And at least one of the supervisors shall have a domicile within the territory of Taiwan to perform the supervisory function in a timely manner.

After becoming a public company, the qualifications of independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

After becoming a public company, the election of independent directors shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be based on the provisions of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" stipulates in Article 24.

Article 5

The election of directors and supervisors of the Company shall be conducted in accordance with the procedures for the nomination of candidates stipulated in Articles 192-1 and 216-1 of the Company Act.

If the vacancy of directors reaches one-third of the total seats stipulated in articles of incorporation, the Company shall hold a by-election for an extraordinary shareholder meeting within 30 days from the date of occurrence of the fact; after becoming a public

company, a by-election of an extraordinary shareholders meeting shall be held within 60 days of the occurrence of the fact. Upon the Company becomes a public company, if the number of independent directors does not meet the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, relevant provisions of the TPEX Review Guidelines or the specific identification standards stipulated in Paragraph 8 of the “Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX”, a by-election shall be held at the latest shareholders' meeting; when all independent directors are dismissed, a by-election shall be held at an extraordinary shareholders' meeting within 60 days from the date of occurrence. If any supervisors are dismissed for any reason, resulting in the number of supervisors falls short of the Company's articles of association, a by-election at the most recent shareholders' meeting shall be held. However, when all the supervisors are dismissed, a by-election of an extraordinary shareholders meeting shall be held within 30 days from the date of occurrence of the fact; after becoming a public company, a by-election of an extraordinary shareholders meeting shall be held within 60 days of the occurrence of the fact.

Article 6

The cumulative voting method shall be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8

The number of directors and supervisors will be as specified in the Company's articles of incorporation, and those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. 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.

Article 9

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10

A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. 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 one 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 12

The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 13

These Procedures and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Article 14

Formulated on January 6, 2017.
1st amendment on April 29, 2019.
2nd amendment on August 25, 2021.
3rd amendment on June 17, 2022.

Taiwan Speciality Chemicals Corporation Rules and Procedures of Shareholders' Meeting

Article 1

Purpose: To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are hereby adopted.

Article 2

The rules of procedures for the Company'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, the Company's shareholders meetings shall be convened by the board of directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall notify the shareholders the shareholders meeting notice 20 days before the date of a regular shareholders meeting or 10 days before the date of a special shareholders meeting. In addition, 10 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. After becoming a public company, the Company 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 or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company 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 handbook 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 the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, 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, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is 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 annual general meeting of shareholders and take part in the discussion of the proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the

meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company 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 the Company before five 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 the Company, 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 the Company before two 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.

After a proxy form has been delivered to the Company, if the shareholder intends to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two 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 the Company, 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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") 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. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.

The Company 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.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, 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.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

(IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

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 vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or 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. The same shall be true for a representative of a juristic person director that serves as chair.

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 a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company 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)

The Company, 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 one 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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

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, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. 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 one 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. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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 one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). 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, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder shall 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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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 the Company, 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 three 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 the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence (according to paragraph 1, Article 177-1 of the Company Act). 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; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two 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, 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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two 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 the Company'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. During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

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 the Company.

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.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Election of directors and supervisors)

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

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 one 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 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. The meeting minutes may be produced and distributed in electronic form. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

Upon the Company becomes a public company, 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 voting results, and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the

meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the 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 (or Taipei Exchange Market) regulations, the Company 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 the Company, 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 five days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting shall continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the

Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital gap)

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Article 24

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

Taiwan Speciality Chemicals Corporation
Shareholdings of Directors

- I. The total number of issued shares of the Company is 138,236,552 shares. According to the provisions of Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies ", the minimum shareholding ratio of all directors shall be 7.5%, and the minimum number of shares held shall be 8,294,193 shares.
- II. The Company has set up an audit committee, so there is no statutory number of shares held by supervisors.
- III. The number of shares held by all the directors of the Company as recorded in the shareholder register on the date of closing of the 2023 Shareholders' Meeting (Mar. 14, 2023) is as follows:

Title	Name	Number of shares held	Remarks
Chairman	Sino-American Silicon Products Inc. Representative: Doris Hsu	41,590,354	
Director	Sino-American Silicon Products Inc. Representative: Tom Yao	41,590,354	
Director	Sino-American Silicon Products Inc. Representative: Chun-Chen Yang	41,590,354	
Director	Hsieh, Sung-yueh	157,933	
Director	WINTECH INNOVATION CO., LTD. Representative: Ri-Chun Li	7,765,517	
Independent Director	Liu, Chung-Hsien,	0	
Independent Director	Hung, Ju-Sheng	0	
Total shareholding of all directors		49,513,804	Statutory proportion has been reached

Additional Information

The handling of shareholder proposals for this general shareholders' meeting:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal. And in case a proposal contains more than one matter, such proposal shall not be included in the agenda.
2. The Company's general shareholders' meeting will accept applications for shareholder proposals from March 4, 2023 through March 14, 2023, which has been announced on the MOPS according to law.
3. The Company has not received any written proposals from shareholders.