



台灣特品化學股份有限公司
Taiwan Speciality Chemicals Corporation

2024 Annual General Meeting

Meeting Handbook

Meeting Time: 1:00 p.m., May 6, 2024 (Monday)

**Meeting Venue: No. 1, Zhangbin W. 3rd Rd., Xianxi Township,
Changhua County (Conference Room on the 1st Floor 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

Procedure for the 2024 Annual General Meeting

- I. Call the Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion
- VI. Election
- VII. Other Proposals
- VIII. Extempore Motion
- IX. Adjournment

Taiwan Speciality Chemicals Corporation

2024 Annual General Meeting Agenda

- A. Time: 1:00 p.m., May 6, 2024 (Monday)
- B. Venue: No. 1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua County (Conference Room on the 1st Floor of the Company)
- C. Chairperson's Opening Remarks
- D. Report Items
 - I. Report on Business Performance in 2023.
 - II. Audit Committee's Review Report on the 2023 Financial Statements.
 - III. Report on the 2023 Distribution of Remuneration to Employees and Directors.
 - IV. Report on the 2023 Distribution of Cash Dividends.
- E. Ratification Items
 - I. The Company's Business Report and Financial Statements of 2023.
 - II. The Company's 2023 Earnings Distribution Proposal.
- F. Discussion
 - I. Proposed Amendment to the "Articles of Incorporation."
 - II. Proposed Amendment to the "Rules of Procedure for Shareholders' Meetings."
- F. Election: Proposal for a complete re-election of all directors.
- G. Other Proposals: Proposal to waive non-compete clause for newly elected directors.
- H. Extempore Motion.
- I. Adjournment.

D. Report Items

Proposal 1

Cause: Report on Business Performance in 2023.

Remarks: For the 2023 Business Report, please refer to pages 8-11 of the Handbook (Attachment 1).

Proposal 2

Cause: Audit Committee's Review Report on the 2023 Financial Statements.

Remarks: For the Audit Committee's Review Report, please refer to page 12 of the Handbook (Attachment 2).

Proposal 3

Cause: Report on the 2023 Distribution of Remuneration to Employees and Directors.

Remarks:

1. According to Article 25-1 of the Articles of Incorporation, if the Company makes any profit in any given fiscal year, no less than one percent of such profit shall be allocated as remuneration to employees and no more than one percent shall be allocated as remuneration to directors.
2. The Company intends to distribute NT\$5,070 thousand in cash as remuneration to employees, representing a distribution ratio of 3.5%; and NT\$720 thousand in cash is intended for distribution to directors and supervisors, representing a distribution ratio of 0.5%.

Proposal 4

Cause: Report on the 2023 Distribution of Cash Dividends.

Remarks:

1. According to Article 26, Paragraph 1 of the Articles of Incorporation and the special resolution adopted by the Board of Directors (the "Board") on February 19, 2024, dividends of NT\$138,236,552 (that is, a cash dividend of NT\$1 per share) are intended for allocation to shareholders from the earnings available for distribution in 2023.
2. Cash dividends to shareholders are calculated pro rata and rounded down to the nearest New Taiwan dollar, with the sum of all fractional dividends below one New Taiwan dollar being included in other income.
3. If the Company later buys back, transfers, or cancels treasury stocks, or issues a follow-on offering, affecting the number of outstanding shares and thereby resulting in changes to the payout ratio for shareholders, it is proposed to authorize the chairperson of the Board to adjust the distribution ratio.
4. The chairperson of the Board is authorized to determine the record date for the dividend distribution and the payment date for the cash dividends.

E. Ratification Items

Proposal 1 (Proposed by the Board)

Cause: The Company's 2023 Business Report and financial statements are submitted and proposed for ratification.

Remarks:

1. The Company's 2023 financial statements have been audited by CPA An-Chih Cheng and CPA Yong-Hua Huang of KPMG and an unqualified opinion has been issued.
2. For the business report and the aforementioned financial statements, please refer to Attachment 1 on pages 8-11 and Attachment 3 on pages 13-20 of the Handbook.

Resolution:

Proposal 2 (Proposed by the Board)

Cause: The Company's 2023 earnings distribution proposal is submitted and proposed for ratification.

Remarks: For the 2023 Statement of Earnings Distribution, please refer to Attachment 4 on page 21 of the Handbook.

Resolution:

F. Discussion

Proposal 1 (Proposed by the Board)

Cause: Proposed Amendment to the "Articles of Incorporation."

Remarks:

1. In response to the plan to add the position of Vice Chairperson to the Board, certain sections of the Company's Articles of Incorporation require amendment accordingly.
2. For a comparison of the Articles before and after the amendment, please refer to Attachment 5 on page 22-23 of the Handbook.

Resolution:

Proposal 2 (Proposed by the Board)

Cause: Proposed Amendment to the "Rules of Procedure for Shareholders' Meetings."

Remarks:

1. In response to the amendment to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings," certain sections of the "Rules of Procedure for Shareholders' Meetings" are planned to be amended accordingly.
2. For a comparison of the Articles before and after the amendment, please refer to Attachment 6 on page 24-25 of the Handbook.

Resolution:

F. Election (Proposed by the Board)

Cause: Proposal for a complete re-election of all directors.

Remarks:

1. The term of office of the Company's directors will expire on August 24, 2024, and a complete re-election of all directors is planned to be held at this shareholders' meeting in advance.
2. In accordance with the Company's Articles of Incorporation, the Company elects eight new directors (including three independent directors) through a candidate nomination system. Shareholders elect the directors from a list of nominated candidates. The newly elected directors will begin their service immediately following the shareholders' meeting and serve a term of three years, from May 6, 2024, to May 5, 2027, and are eligible for re-election.
3. For the list of director candidates (including independent directors) that has been reviewed and approved by the Board, please refer to Attachment 7 on pages 26–28 of the Handbook.
4. Call for election.

Election results:

G. Other Proposals (Proposed by the Board)

Cause: Proposal to waive non-compete clause for newly elected directors.

Remarks:

1. There may be instances where directors of the Company invest in or operate businesses with the same or similar business scope as the Company while serving on its board. Without prejudice to the Company's interests, a proposal to waive the non-competition clause for newly elected directors will be presented at the shareholders' meeting, in accordance with Article 209 of the Company Act.
2. The scope and details of any concurrent positions held by the newly elected directors will be fully addressed during the discussion of this matter at the shareholders' meeting.

Resolution:

H. Extempore Motion

I. Adjournment

Letter to Shareholders

Dear Shareholders:

First of all, we would like to thank all shareholders for your support and concern. We mainly develop and produce precision high-end electronic grade gases and chemicals. Our main sources of revenue currently include Disilane, Trisilane, and product agency. Our operating results for 2023 and the business plan for 2024 are summarized as follows:

I. Operating Results in 2023

(I) Business plan implementation results

In 2023, we continued to enter the supply chains of major manufacturers and expanded the revenue from product agency. The Company's operating revenue was NT\$553,523 thousand in 2023, an increase of 3.99% compared with 2022 and maintaining an upward trend. The net profit of the period was NT\$155,653 thousand.

Business plan implementation results are as follows:

Unit: NT\$ Thousands

Item/Year	2023	2022	Percent Change (%)
Operating revenue	553,523	532,279	3.99%
Operating costs	343,290	268,412	27.90%
Gross profit from operations	210,233	263,867	-20.33%
Operating expenses	72,435	83,219	-12.96%
Net operating income	137,798	180,648	-23.72%
Net profit before tax	139,199	187,470	-25.75%
Net income	155,653	207,974	-25.16%

(II) Budget implementation

The company has not disclosed any financial forecasts for 2023.

(III) Financial structure and profitability analysis

Item/Year		2023	2022
Financial structure	Debt ratio (%)	4.55	5.88
	Ratio of long-term capital to property, plant and equipment (%)	127.59	119.43
Profitability analysis	Return on assets (%)	8.55	11.90
	Return on equity (%)	9.02	12.71
	Ratio of net profit before tax to paid-in capital (%)	10.07	13.56
	Net profit margin (%)	28.12	39.07

(IV) Financial income and expenses

The Company's financial income and expenses was normal in 2023 with operating revenue of NT\$553,523 thousand, operating cost of NT\$343,290 thousand, operating expense of NT\$72,435 thousand, non-operating income of NT\$1,401 thousand, net profit before tax of NT\$139,199 thousand, and net profit of NT\$155,653 thousand.

(V) Research and Development

1. 2023 Research & Development Expenses

Unit: NT\$ Thousands

Item/Year	2023	2022
R&D expenses	18,314	26,185
Operating revenue	553,523	532,279
R&D expenses as a percentage of net revenue (%)	3.31%	4.92%

2. Research and development achievement in 2023

(1) Development of pilot process system and technologies for chlorosilane derivated special chemicals production.

3. Plan of future research and development

(1) Development of chlorosilane derivated precursors for carbosilicon and nitridated silicon deposition processes.

(2) Development of special etching gases and chemicals as well as derivative products for advanced semiconductor manufacturing processes.

II. Summary of 2024 Business Plan

(I) Business policy

The Company has accumulated many market advantages, such as sales to many tier-1 international semiconductor customers, the synthesis and purification process technology of silane gases, complete logistics equipment for special gases, intelligent cylinder management system, healthy finances, and a professional and compliant special gas production base that will benefit expansion and development.

In order to quickly meet customer needs, in addition to investing in independent research and development, we also use competitive advantages such as advanced production technologies, ultra-trace element analysis laboratory, and immediate backup and warehousing services, which lead the industry in Taiwan for multiple special gas products. We selected excellent special gas partners to form a strategic alliance, and rapidly enriched our product portfolio through cooperative production and sales, becoming a total solutions provider for high-end transistor manufacturing.

(II) Sales Forecast and its Basis

According to forecasts of the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to bounce back grow by 13.1% in 2024. In addition to consolidating product sales in existing markets, our business model in 2024 will include the development of new products and the expansion of product agency to special gas products for advanced processes. This will enrich our product portfolio and is expected to drive another wave of company growth.

(III) Important Production and Sales Policies

1. Improve inventory turnover and generate cash inflow from operating activities.
2. Increase the number of customers and market share of agent products.
3. Enrich the product portfolio, create new business growth momentum, and increase customer stickiness.

(IV) Future Development Strategy

1. Make every effort to increase revenue, enter the capital market, and strengthen the foundation of operations.
2. Enhance TSC's core capabilities, strengthen its competencies, and enhance long-term overall competitiveness.
3. Operate with integrity and establish business values and culture that take pride in TSC.

(V) Impact of External Competition, Regulatory Environment and Macroeconomic Environment

1. Facing the recession of the semiconductor industry chain in 2023, the Company made planned adjustments to operating costs and inventory, and continue to enhance its competitiveness to respond to changes in the overall environment. Looking towards 2024, the leading foundry has set the tone for a year of healthy growth, and the Company expects its business to benefit.
2. Due to the impact of geopolitics and supply chain management, manufacturers continue to invest in the special gas supply industry, and overall competition in the industry has intensified. As the Company continues to enhance its competitiveness in production technology, product quality and items, warehousing and logistics, it is expected to reduce the impact of new competitors.
3. Development a carbon-neutral business environment has become a global trend. As requirements on energy conservation and carbon reduction from policies, regulations, and customers become growingly strict. The Company's processes use low-carbon technology, which creates synergies for receiving orders. We will continue to develop other low-carbon production technologies in the future, and not only respond to customers' carbon reduction needs, but also reduce the impact of climate change issues on the Company's operations.

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

health and happiness and all the best.

Chairperson: Hsiu-Lan Hsu

President: Hsiung-Fei Chang

Chief Accountant: Chieh-Che Liao

Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2023 business report, financial statements, and earnings distribution proposal, in which the financial statements have been audited and certified by CPA An-Chih Cheng and CPA Yong-Hua Huang of KPMG and audit reports were issued. The business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for shareholder's examination.

Sincerely
2024 Annual General Meeting

Taiwan Speciality Chemicals Corporation

Convener of the Audit Committee

Chung-Hsien Liu

February 19, 2024

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, 2023 and 2022, 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, 2023 and 2022, 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 19, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(1))	\$ 154,700	8	114,600	7
1170	Notes and accounts receivable, net (note 6(2))	120,612	7	71,716	4
1210	Other receivable—related parties (note 7)	141	-	138	-
130X	Inventories (note 6(3))	138,682	8	165,963	9
1479	Other current assets (note 6(7))	6,787	-	2,761	-
		<u>420,992</u>	<u>23</u>	<u>355,178</u>	<u>20</u>
Non-current assets:					
1600	Property, plant and equipment (notes 6(4) and 8)	1,376,941	75	1,419,447	79
1755	Right-of-use assets (note 6(5))	110	-	299	-
1780	Intangible assets (note 6(6))	1,195	-	981	-
1840	Deferred tax assets (note 6(13))	36,958	2	20,504	1
1990	Other non-current assets (note 6(7))	4,419	-	4,419	-
		<u>1,419,353</u>	<u>77</u>	<u>1,445,650</u>	<u>80</u>
Total assets		\$ 1,840,345	100	1,800,828	100
		December 31, 2023		December 31, 2022	
Liabilities and Equity		Amount	%	Amount	%
Current liabilities:					
2170	Accounts payable	\$ 21,558	1	13,775	1
2201	Payroll and bonus payable	16,682	1	19,443	1
2220	Other payable—related parties (note 7)	42	-	276	-
2300	Other current liabilities (notes 6(10) and (11))	45,285	3	72,038	4
		<u>83,567</u>	<u>5</u>	<u>105,532</u>	<u>6</u>
Non-Current liabilities:					
2600	Other non-current liabilities (notes 6(10) and (11))	196	-	366	-
		<u>196</u>	<u>-</u>	<u>366</u>	<u>-</u>
Total liabilities		<u>83,763</u>	<u>5</u>	<u>105,898</u>	<u>6</u>
Equity (note 6(14)):					
3110	Ordinary shares	1,382,366	75	1,382,366	77
3350	Retained earnings	374,216	20	312,564	17
Total equity		<u>1,756,582</u>	<u>95</u>	<u>1,694,930</u>	<u>94</u>
Total liabilities and equity		\$ 1,840,345	100	1,800,828	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, 2023 and 2022

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

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (note 6(16))	\$ 553,523	100	532,279	100
5000	Operating costs (notes 6(3), (4) and (12))	343,290	62	268,412	50
	Gross profit from operations	<u>210,233</u>	<u>38</u>	<u>263,867</u>	<u>50</u>
	Operating expenses (notes 6(4), (5), (6), (11), (12) and 7):				
6100	Selling expenses	14,295	3	14,069	3
6200	Administrative expenses	39,826	7	42,965	8
6300	Research and development expenses	18,314	3	26,185	5
		<u>72,435</u>	<u>13</u>	<u>83,219</u>	<u>16</u>
	Net operating income	<u>137,798</u>	<u>25</u>	<u>180,648</u>	<u>34</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(18))	1,113	-	550	-
7010	Other income (notes 6(18) and 7)	2,787	1	8,097	1
7020	Other gains and losses (notes 6(4) and (18))	(2,495)	(1)	(1,695)	-
7050	Finance costs (notes 6(11) and (18))	(4)	-	(130)	-
		<u>1,401</u>	<u>-</u>	<u>6,822</u>	<u>1</u>
	Income before income tax	139,199	25	187,470	35
7950	Less: Income tax expenses (note 6(13))	(16,454)	(3)	(20,504)	(4)
	Net income	<u>155,653</u>	<u>28</u>	<u>207,974</u>	<u>39</u>
8300	Other comprehensive income	-	-	-	-
8500	Total comprehensive income	<u>\$ 155,653</u>	<u>28</u>	<u>207,974</u>	<u>39</u>
	Earnings per share (NT dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 1.13</u>		<u>1.50</u>	
9850	Diluted earnings per share	<u>\$ 1.12</u>		<u>1.50</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, 2023 and 2022

(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, 2022	\$ 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
Net income for the year	-	-	155,653	155,653	155,653
Other comprehensive income for the year	-	-	-	-	-
Comprehensive income for the year	-	-	155,653	155,653	155,653
Appropriation and distribution of retained earnings:					
Legal reserve	-	20,797	(20,797)	-	-
Cash dividends of ordinary shares	-	-	(94,001)	(94,001)	(94,001)
Balance at December 31, 2023	<u>\$ 1,382,366</u>	<u>40,242</u>	<u>333,974</u>	<u>374,216</u>	<u>1,756,582</u>

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 139,199	187,470
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	119,099	143,980
Amortization expenses	266	106
Interest expenses	4	130
Interest income	(1,113)	(550)
Gain on disposal of property, plant and equipment	68	2,740
Recognition (reversal) of write-down of inventory	(428)	(60)
Recognition of impairment losses on non-financial assets	(20)	(9,856)
Total adjustments	117,876	136,490
Changes in operating assets and liabilities:		
Notes and accounts receivable	(48,896)	(598)
Other receivable—related parties	(3)	312
Inventories	27,709	(31,156)
Other operating assets	(4,026)	(424)
Accounts payable	7,783	2,872
Other payable—related parties	(234)	163
Other current liabilities	(5,880)	5,487
Total changes in operating assets and liabilities	(23,547)	(23,344)
Total adjustments	94,329	113,146
Cash inflow generated from operations	233,528	300,616
Interest received	1,113	550
Interest paid	-	(130)
Net cash flows generated from operating activities	234,641	301,036
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(100,885)	(94,742)
Proceeds from disposal of property, plant and equipment	966	1,098
Decrease(increase) in refundable deposits	30	(239)
Acquisition of intangible assets	(330)	-
Net cash flows used in investing activities	(100,219)	(93,883)
Cash flows from financing activities:		
Repayments of long-term borrowings	-	(60,000)
Guarantee deposits refunded	(59)	(90)
Cash dividends paid	(94,001)	(89,854)
Repayment of the principal portion of lease liabilities	(192)	(393)
Net cash flows from (used in) financing activities	(94,252)	(150,337)
Net increase (decrease) in cash and cash equivalents	40,170	56,816
Cash and cash equivalents at beginning of period	114,600	57,784
Cash and cash equivalents at end of period	\$ 154,770	114,600

See accompanying notes to financial statements.

Taiwan Speciality Chemicals Corporation

2023

Statement of Earnings Distribution

Unit: NT\$

Item	Subtotal	Total
Beginning balance		178,322,033
Add (Less):		
Net profit for the current period		155,652,400
Earnings available for distribution		333,974,433
Add (Less):		
Allocation of legal reserve	(15,565,240)	
Distribution items:		
Dividends to shareholders — cash	(138,236,552)	
Ending undistributed retained earnings		180,172,641

Chairperson:

President:

Head of Accounting:

Taiwan Speciality Chemicals Corporation

Comparison Table of Existing Articles of Incorporation and Proposed Amendments

Article	Before Amendment	After Amendment	Remarks
Article 16	<p>The Company shall have a board consisting of five to nine directors, each serving a term of three years. They shall be elected at the shareholders' meeting from among persons of legal capacity and are eligible for re-election. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act, with directors being elected during the shareholders' meeting from a list of nominated candidates. Among the number of directors mentioned in the preceding paragraph, there shall be no less than three independent directors, which shall constitute no less than one-fifth of the total number of director seats.</p> <p>(Omitted).</p>	<p>The Company shall have a board consisting of five to nine directors, each serving a term of three years. They shall be elected at the shareholders' meeting from among persons of legal capacity and are eligible for re-election. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act, with directors being elected during the shareholders' meeting from a list of nominated candidates. Among the number of directors mentioned in the preceding paragraph, there shall be no less than three independent directors, which shall constitute no less than <u>one-third</u> of the total number of director seats.</p> <p>(Omitted).</p>	<p>The number of independent director seats is adjusted to comply with the rules governing the review for listing on the TPEX.</p>
Article 19	<p>The directors organize the Board. A chairperson is elected from among the directors by a majority vote at a meeting attended by at least two-thirds of the directors. The chairperson is responsible for executing all company affairs in accordance with laws, regulations, the articles of incorporation, and the resolutions passed by both the shareholders' meeting and the Board.</p>	<p>The directors organize the Board. A chairperson <u>and a vice chairperson</u> are elected from among the directors by a majority vote at a meeting attended by at least two-thirds of the directors. The chairperson, <u>who represents the company</u>, is responsible for executing all company affairs in accordance with laws, regulations, the articles of incorporation, and the resolutions passed by both the shareholders' meeting and the Board.</p>	<p>The addition to the provision is made in response to the introduction of the vice chairperson role.</p>

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. 9th amendment on May 12, 2023.	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. 9th amendment on May 12, 2023. 10th amendment on <u>May 6, 2024.</u>	Revision history is added.
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Taiwan Speciality Chemicals Corporation

Comparison Table of Existing Rules of Procedure for Shareholders' Meetings and Proposed Amendments

Article	Before Amendment	After Amendment	Remarks
Article 3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors (the "Board"). (Omitted).	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors (the "Board"). <u>The hosting of video conference shareholders' meetings by the company shall be clearly stated in the Articles of Incorporation, unless otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, and it requires a resolution by the Board of Directors. Additionally, the decision to hold a video conference shareholders' meeting shall be made by a majority vote at a Board meeting attended by at least two-thirds of the directors.</u> (Omitted).	In response to the amendment to Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders," it is now expressly stipulated that the company's hosting of video conference shareholders' meetings must be stated in the articles of incorporation and requires a special resolution of the Board before implementation.
Article 6-1	To convene a video conference shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice: The first and second paragraphs are omitted. III. To convene a video conference shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference shall be specified.	To convene a video conference shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice: The first and second paragraphs are omitted. III. To convene a video conference shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference shall be specified. <u>In addition to the conditions stated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period within which shareholders may submit a request to the Company and other relevant issues shall be specified.</u>	In response to the amendment to Article 6-1 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders," it is now expressly stipulated that connection equipment and necessary assistance must be provided to shareholders.

Article 22	When the Company convenes a video conference shareholders' meeting, it shall provide appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference.	When the Company convenes a video conference shareholders' meeting, it shall provide appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference. <u>In addition to the conditions stated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period within which shareholders may submit a request to the Company and other relevant issues shall be specified.</u>	In response to the amendment to Article 22 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders," it is now expressly stipulated that connection equipment and necessary assistance must be provided to shareholders.
Article 24	These Rules were formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022. 4th amendment on May 12, 2023.	These Rules were formulated on January 6, 2017. 1st amendment on April 29, 2019. 2nd amendment on August 25, 2021. 3rd amendment on June 17, 2022. 4th amendment on May 12, 2023. 5th amendment on May 6, 2024.	Revision history is added.

Taiwan Speciality Chemicals Corporation

Candidate List for Directors (Including Independent Directors)

Job Title	Name	Education and Experience	Current Position	Number of Shares Held
Director	Representative of Sino-American Silicon Products Inc. Hsiu-Lan Hsu	Master of Computer Science, University of Illinois President of Sino-American Silicon Products Corporation Chairman of GlobalWafers Co., Ltd.	Chairperson and CEO of Sino-American Silicon Products Inc. Chairperson and CEO of GlobalWafers Co., Ltd. Director of Actron Technology Corporation (representative of institution) Director of Advanced Wireless Semiconductor Company (representative of institution) Chairperson of Taiwan Speciality Chemicals Corporation (representative of institution) Representative of Institutional Director of SAS Sunrise Inc. Chairperson of Sunrise PV Three Co., Ltd. (representative of institution) Chairperson of SAS Capital Co., Ltd. (representative of institution) Chairperson of Sustainable Energy Solution Co., Ltd. (representative of institution) Chairperson of Sunrise PV Four Co., Ltd. (representative of institution) Chairperson of GlobalWafers Holding Co., Ltd. (representative of institution) Director of GlobalSemiconductor Inc. Chairperson and CEO of GlobiTech Incorporated Chairperson of GlobalWafers Japan Co., Ltd. Chairperson of MEMC Japan Ltd. Vice Chairperson of Kunshan Sino Silicon Technology Co., Ltd. Chairperson of Topsil GlobalWafers A/S Director of GlobalWafers Singapore Pte. Ltd. Director of GlobalWafers B.V. Director of MEMC Korea Company Chairperson of GlobalWafers America, LLC Chairperson of Crystalwise Technology Inc. (representative of institution) Director of Crystalwise Technology (HK) Limited	41,590,354
Director	Representative of Sino-American Silicon Products Inc. Tang-Liang Yao	Master of Business Administration, Tamkang University Assistant Manager, Manufacturing Department, Xuxing Technology Corporation President of	Vice Chairperson of Sino-American Silicon Products Inc. Director of GlobalWafers Co., Ltd. (representative of institution) Chairperson and CEO of Actron Technology Corporation Director of Advanced Wireless Semiconductor Company (representative of	41,590,354

Job Title	Name	Education and Experience	Current Position	Number of Shares Held
		Sino-American Silicon Products Corporation	institution) Director of Taiwan Speciality Chemicals Corporation (representative of institution) Director of REC Technology Corporation (representative of institution) Director of DING-WEI TECHNOLOGY CO., LTD. (representative of institution) Director of MOSEL VITELIC INC. (representative of institution) Director of Sunrise PV Three Co., Ltd. (representative of institution) Director of SAS Capital Co., Ltd. (representative of institution) Director of GlobalWafers Holding Co., Ltd. (representative of institution) Director of GlobiTech Incorporated Director of GlobalWafers Japan Co., Ltd. Chairperson of Kunshan Sino Silicon Technology Co., Ltd. Director of GlobalWafers Singapore Pte. Ltd. Director of GlobalWafers America, LLC Director of Yuan Hong Technical Materials Ltd.	
Director	Representative of Sino-American Silicon Products Inc. Hsiu-Ling Hsu	Enterprise Management Research Institute of Taipei University Director of PwC Taiwan Accounting Manager of Sunrise Global Solar Energy Co., Ltd. Accounting Manager of GlobalWafers Co., Ltd.	Accounting Assistant Manager of Sino-American Silicon Products Inc. Director of Sino Silicon Technology Inc. Supervisor of Hsu-lu Energy Co., Ltd. Director of Crystalwise Technology Inc. (representative of institution) Supervisor of Shanghai Zhaoye Shenkai Electron Material Limited Company Supervisor of Xinzhou Yuanhong Information Material Co., Ltd. Supervisor of Yuan Hong Technical Materials Ltd.	41,590,354
Director	Hsin-Ming Kao	Master of International Business Management, National Taiwan University EMBA Chairperson and CEO of Marketech International Corp. Manager of Electronics Research & Service Organization, Industrial Technology Research Institute (ITRI)	Chairperson and CEO of Marketech International Corp. Director of WT Microelectronics Director of Macrotec Electronics Corp. Chairperson of Chi-Hsuan Investment Co. Chairperson of Smart Health Corp. Director of ProbeLeader Co., Ltd. Director of eZoom Information, Inc. Director of ADAT Technology Co., Ltd. Director of Vertex System Corporation Director of Forward Science Corporation Director of Brilliant Network & Automation Integrated System Co., Ltd. Director of Bolite Co., Ltd. Chairperson of Everlasting Digital ESG Co., Ltd.	0

Job Title	Name	Education and Experience	Current Position	Number of Shares Held
Director	Hsin-Jung Chen	Oriental Academy of Industry President of Shiehyi International Co., Ltd.	Director of Shiehyi International Co., Ltd.	1,515,978
Independent Director	Chung-Xian Liu	Department of Business Administration, Soochow University Master of Management Sciences, Tamkang University Chairperson of Huihong Investment Co., Ltd. President, CEO, and Chairperson of Ruentex Development Co., Ltd.	Chair Professor, Soochow University Independent Director of Actron Technology Corporation Independent Director of Advanced Wireless Semiconductor Company Independent Director of Johnson Health Tech Co., Ltd.	0
Independent Director	Ru-Sheng Hong	Ph.D. in chemical engineering from the University of Tokyo, Japan Full-time Professor, Department of Chemical Engineering, National Taiwan University of Science and Technology	Full-time Professor, Department of Chemical Engineering, National Taiwan University of Science and Technology	0
Independent Director	Ding-Kuo Chen	Ph.D. in International Business from the University of Michigan's doctoral program Professor, Department and Graduate Institute of Business Administration, National Taiwan University Dean, College of Management, Tamkang University Dean and Chair Professor, Asia Management College, Asia University Visiting Professor, College of Management, National Taiwan Normal University	Founding Honorary Chairperson, Chinese Academy of Business Foundation Independent Director, Shiny Chemical Industrial Co., Ltd. Independent Director, Namchow Holdings Co., Ltd.	0

Taiwan Speciality Chemicals Corporation Articles of Incorporation

Chapter I. General Provisions

- 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 business items of the Company are set out as follows:
- 001 CC01080 Electronic Parts and Components Manufacturing
 - 002 C801030 Precision Chemical Materials Manufacturing
 - 003 ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval
- Article 3: The total amount of the Company's reinvestment in other businesses may exceed 40% of the paid-in share capital.
- Article 4: The Company may provide external endorsements and guarantees when business needs necessitate.
- Article 5: The Company is headquartered in Changhua County and may set up branch offices in Taiwan or abroad as resolved by the Board of Directors (the "Board"), if necessary.

Chapter II. Shares

- Article 6: The Company's total capital is NT\$4 billion, divided into 400 million shares with a par value of NT\$10 per share and issued in installments. Of the total capital, NT\$100 million, divided into 10,000,000 shares with a par value of NT\$10 per share, shall be reserved for employee stock warrants and issued in installments as determined by the Board's resolutions. Employees of the controlling or subsidiary companies who meet certain conditions may be eligible to be issued these warrants.
- Article 6-1: If the Company intends to issue employee stock warrants at a price below the net value per share as reported in the financial statements, which have been verified or reviewed by a certified public accountant (or the closing price on the issuance date if listed on an exchange or traded over-the-counter), it shall proceed only if shareholders representing a majority of the total number of issued shares are present and at least two-thirds of the votes from those present consent. The issuance may be carried out in installments within one year from the resolution date of the shareholders' meeting.
- Article 6-2: Upon the Company's stocks being listed on the stock exchange or traded over-the-counter, if the Company intends to buy back its shares in accordance with 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 proceed only if shareholders representing a majority of the total number of issued shares are present at the most recent shareholders' meeting and at least two-thirds of the votes from those present consent.
- Article 6-3: Except as otherwise provided by laws and regulations, the Company may buy back its own

shares in accordance with Article 167-1 of the Company Act. Such shares may be transferred to employees of the controlling or subsidiary companies who meet certain conditions.

The Company, when buying back its shares under Paragraph 1 of this Article, shall not be entitled to exercise the rights of a shareholder with respect to such shares.

Article 6-4: When the Company issues new shares, except as otherwise provided by laws and regulations, 10% to 15% of the total number of newly-issued shares shall be reserved for purchase by its employees. Employees of the controlling or subsidiary companies who meet certain conditions may be eligible for purchase of such shares.

Article 6-5: The Company may issue new shares as restricted stock in accordance with Article 267 of the Company Act. Employees of the controlling or subsidiary companies who meet certain conditions may be eligible to be issued such shares.

Article 7: The Company may be exempted from printing any share certificate in accordance with Article 161-2 of the Company Act, provided that the shares are registered with a centralized securities depository institution. This provision also applies to other forms of securities.

Article 8: Except as otherwise provided by laws and regulations, the handling of the Company's stock affairs shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" as promulgated by the competent authority.

Article 9: Changes to the entries in the shareholders' register shall be handled in accordance with Article 165 of the Company Act.

Chapter III. Shareholders' Meeting

Article 10: The Company shall hold both annual general and extraordinary shareholders' meetings. The Board is required to convene the annual general meeting once annually, within six months following the conclusion of each fiscal year. Extraordinary meetings may be convened by the Board whenever deemed necessary.

Shareholders' meetings may be conducted via video conference or other methods as publicly announced by the competent authorities.

Article 11: If a shareholder is unable to attend a shareholders' meeting for any reason, they may, in accordance with Article 177 of the Company Act, issue a power of attorney to appoint a proxy to attend on their behalf.

The appointment of a proxy shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" as promulgated by the competent authority.

Article 11-1: Upon the listing of the Company's shares on the emerging stock board, shareholders shall have the option to exercise their voting rights electronically during the shareholders' meetings. The procedures for electronic voting shall be detailed in the notice of the shareholders' meetings. Shareholders who exercise their voting rights, whether in writing or electronically, shall be deemed as present in person at the meeting. The exercise of such voting rights shall comply with the Company Act and all relevant laws and regulations.

Article 11-2: If the Company intends to suspend its public offering upon becoming a public company, it

- shall obtain a resolution from the shareholders' meeting as stipulated by Article 156-2 of the Company Act prior to submitting the suspension application to the competent authority.
- Article 12: A meeting chair shall be designated for the shareholders' meeting in session, in accordance with Article 182-1 of the Company Act.
- Article 13: Except as otherwise provided or restricted by laws and regulations, each shareholder of the Company is entitled to one vote per share held.
- Article 14: Except as otherwise provided in the Company Act, resolutions at a shareholders' meeting shall proceed only if shareholders representing a majority of all issued shares of the Company are present and the resolutions are passed with a majority of the votes from those present.
- Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chair of the meeting and distributed to each shareholder within 20 days after the conclusion of the meeting. The minutes of a shareholders' meeting shall record the date and place of the meeting, the name of the chair, 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 retained for the duration of the existence of the Company.
- The preparation and distribution of the minutes mentioned in the preceding paragraph shall be conducted in accordance with Article 183 of the Company Act.

Chapter IV. Directors and Audit Committee

- Article 16: The Company shall have a board consisting of five to nine directors, each serving a term of three years. They shall be elected at the shareholders' meeting from among persons of legal capacity and are eligible for re-election.
- Elections of directors at the Company shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act, with directors being elected during the shareholders' meetings from a list of nominated candidates.
- Among the number of directors mentioned in the preceding paragraph, there shall be no less than three independent directors, which shall constitute no less than one-fifth of the total number of director seats.
- With respect to professional qualifications, shareholdings, restrictions on taking part-time jobs, nomination, election/appointment, and other compliance-related requirements for independent directors, the Company shall follow the relevant regulations announced by the competent authorities in charge of the securities industry.
- The Company may establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. This committee shall consist of independent directors only, with a minimum of three members. The audit committee, or its members, shall fulfill the duties and exercise the powers of supervisors as specified in the Company Act, the Securities Exchange Act, and other relevant laws and regulations.
- The Company may establish a remuneration committee or other functional committees in accordance with laws, regulations, or business needs.
- Article 17: If the number of vacant director seats reaches one-third of the total, a by-election shall be

conducted to fill the vacancies in accordance with Article 201 of the Company Act.

Article 18: 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 new directors are elected and assume office. However, the competent authorities may, ex officio, order the company to elect new directors within a given time limit; and if the company fails to re-elect directors within the given time limit, the out-going directors shall be dismissed ipso facto upon the expiration of the time limit.

Article 19: The directors organize the Board. A chairperson is elected from among the directors by a majority vote at a meeting attended by at least two-thirds of the directors. The chairperson is responsible for executing all company affairs in accordance with laws, regulations, the articles of incorporation, and the resolutions passed by both the shareholders' meeting and the Board.

Article 20: The Company's business policy and other important matters shall be determined by the Board. The first meeting of each term of the Board shall be convened in accordance with Article 203 of the Company Act. Subsequent meetings shall be convened by the chairperson, who shall also serve as the chair of these meetings. If the chairperson is unable to perform their duties, they shall designate another director to act as meeting chair. If the chairperson does not make such a designation, the directors shall elect an acting chairperson from among themselves.

The Company's Board shall meet at least once a quarter. The notice for a Board meeting shall specify the reasons for its convening and be delivered to all directors as required by law. In the event of an emergency, a Board meeting may be convened at any time. The notice of convening a Board meeting of the Company may be delivered in writing, electronically (by email), or via hardcopy or computer faxing.

A director who has a personal interest in a matter under discussion at a Board meeting shall explain the significant details of such personal interest during the meeting. Where the director's spouse, a blood relative within the second degree of kinship, or any company with a controlling or subordinate relationship to the director, has an interest in the aforementioned matter that is under discussion at the meeting, the director shall also be deemed to have a personal interest in the matter.

Article 21: Except as otherwise provided in the Company Act, the Board's resolutions shall be adopted by a majority vote at a Board meeting where a majority of the directors are present. In case a director is unable to attend a meeting, they may appoint another director as their proxy by issuing a power of attorney. The appointing director shall state therein the scope of authority with reference to the subjects to be discussed at the meeting, provided that a director may act as the proxy of one other director only.

If a Board meeting is held via video conference, the directors present at the video conference shall be deemed to have attended the meeting in person.

Article 22: Matters relating to the resolutions of a Board meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chair of the meeting and distributed to each director within 20 days after the conclusion of the meeting. The minutes of a Board meeting shall record the date and place of the meeting, the name of the chair, 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 retained for the duration of the existence of the Company.

The preparation and distribution of the minutes referred to in the preceding paragraph shall be conducted in accordance with Article 207 of the Company Act.

Article 23: The remuneration of directors shall be determined by the Board, taking into account their involvement in the Company's business operations, their contributions, and prevailing industry standards for compensation.

If any director of the Company concurrently holds another position within the Company, they may receive a monthly salary for such position in accordance with the remuneration levels for managers.

The Company may procure directors' liability insurance to cover liabilities arising from the exercise of their duties during their terms of directorship. The Company shall report the important details of the directors' liability insurance it has procured or renewed at the most recent Board meeting.

Chapter V. Managers

Article 24: The Company may establish positions of managers, with appointments, dismissals, and remuneration subject to a majority vote at a Board meeting where a majority of directors are present.

Chapter VI. Final Accounts

Article 25: At the fiscal year-end, the Board shall prepare and submit the following documents to the annual general meeting for ratification in accordance with law: I. Business report. II. Financial statements. III. Proposals for the distribution of earnings or make-up of deficit.

Article 25-1: If the company makes a profit during the year, it must allocate no less than 1% as employee bonuses, and no more than 1% as directors' remuneration. However, an amount shall be set aside in advance to offset any cumulative losses.

Employee bonuses in the preceding paragraph may be paid in shares or cash. Employees of controlling companies or subsidiaries that meet certain criteria may also qualify. The board of directors is authorized to establish related regulations. The remuneration of directors in the preceding paragraph may only be paid in cash.

The matters in the preceding two paragraphs shall be decided by a majority vote in a board meeting with least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

If the board of directors adopted the resolution to pay employee bonuses in the form of stocks in the preceding paragraph, it may also adopt the resolution to issue new shares or acquire its own shares for paying employee bonuses.

Article 26: If the company is profitable for the year, after paying taxes and making up for accumulated losses, 10% is allocated as the legal reserve. However, no amount needs to be allocated when the legal reserve has reached the paid-in capital. After allocating or reversing the special reserve in accordance with the law or regulations of the competent authority, if necessary, if there is still any earnings remaining, it shall be combined with undistributed earnings in the

previous year and the Board may prepare an earnings distribution proposal. Where earnings are distributed in cash, the Board is authorized to distribute all or a part of the earnings in cash by adopting a resolution approved by the majority of directors in a Board meeting with two-thirds or more of all directors in attendance in accordance with Article 240, Paragraph 5 of the Company Act, and the distribution shall be reported to the shareholders' meeting. Where the dividends are distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before being distributed.

The Company, in line with its future business development and expansion, will take into account the capital expenditure budget and funding needs for the distribution of earnings. After the allocation of the legal reserve and special reserve from the after-tax earnings each year, no less than 50% of the remaining after-tax earnings shall be distributed as dividends to shareholders. However, if the net profit, after deducting the legal reserve and special reserve, is less than 5% of paid-in capital, the Company may choose to not distribute dividends. Dividends may be distributed to shareholders in cash or stock, in which cash dividends may not be lower than 50% of all dividends.

Regarding the cumulative net amount of other deductions from equity, allocate an amount of special reserve equal to the amount allocated from the undistributed earnings from the preceding period. If an insufficiency remains, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

Article 26-1: In accordance with Article 241 of the Company Act, the Company may distribute its legal reserve and capital reserve, in whole or in part, by issuing new shares or in cash, with both methods being proportional to the existing shareholders' respective shareholdings. When opting for cash distribution, the Company shall proceed only after the Board is authorized by adopting a resolution approved by the majority of directors at a Board meeting where two-thirds or more of all directors are present. Additionally, the cash distribution shall be reported to the shareholders' meeting; Where the dividends are distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before being distributed.

Chapter VII. Supplementary Provisions

Article 27: The organizational regulations and enforcement rules of the Company shall be established separately by the Board.

Article 28: Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant 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.

9th amendment on May 12, 2023.

Taiwan Speciality Chemicals Corporation

Chairperson: Hsiu-Lan Hsu

Taiwan Speciality Chemicals Corporation

Rules of Procedure for Shareholders' Meetings

Article 1

Purpose: To establish a strong governance system and sound supervisory capabilities for the Company'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 and notices of shareholders meetings)

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors (the "Board").

Changes to the method for convening the shareholders' meeting of the Company shall require a resolution of the Board of Directors, and the change must be implemented before the meeting notices are sent.

The Company shall notify the shareholders of the shareholders' meeting by giving a notice 20 days before the date of the annual general meeting or 10 days before the date of an extraordinary meeting. In addition, 10 days before the annual general meeting, the Company shall prepare the shareholders' meeting handbook and supplemental materials and make them available for the shareholders' ready reference. Upon becoming a public company, the Company shall, 30 days before the date of the annual general meeting or 15 days before the date of an extraordinary meeting, notify all shareholders, prepare electronic versions of the shareholders' meeting notice, power of attorney forms, and explanatory materials relating to all proposals, including proposals for ratification, matters for discussion, and the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS). The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental materials and upload them to the MOPS 21 days before the date of the annual general meeting or 15 days before the date of an extraordinary meeting. In addition, 15 days before the annual general meeting, the Company shall prepare the shareholders' meeting handbook and supplemental materials and make them available for the shareholders' ready reference. The meeting handbook and supplemental materials shall also be displayed at the premises of the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting handbook and supplemental materials, as mentioned in the preceding paragraph, available to shareholders for reference 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 with video conference assistance, to be distributed on-site at the meeting and shared on the video conference meeting platform.
- III. For video conference shareholders' meetings, electronic versions shall be shared on the video conference 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. Matters pertaining to the election or dismissal of directors, alteration of 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, earnings distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extempore motions.

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 extempore 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 written proposal for discussion at an annual general meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board may exclude it from the agenda. Shareholders may submit proposals for urging the Company to promote public interests or fulfill its social responsibilities. The procedures shall be based on related regulations in Article 172-1 of the Company Act. Each shareholder may only submit one proposal. If a shareholder submits more than one proposal, the proposal shall not be included in the agenda.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and the submission period; the period for submission of shareholder proposals shall not be less than 10 days.

Proposals submitted by shareholders are limited to 300 words. Any proposal exceeding 300 words will not be included in the agenda. The shareholder submitting the proposal shall be present at the annual general meeting either in person or by proxy and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney form issued by the Company and stating the scope of the proxy's authority.

A shareholder may provide only one power of attorney form and appoint only one proxy for any given shareholders' meeting. The power of attorney form shall be delivered to the Company five days before the date of the shareholders' meeting. When duplicate power of attorney forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

After a power of attorney form has been delivered to the Company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the shareholder fails to do so by the deadline, the vote cast by the proxy shall govern.

After a power of attorney form has been delivered to the Company, if the shareholder intends to attend the

meeting via video conference, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the shareholder fails to do so by the deadline, the vote cast by the proxy shall govern.

Article 5 (Principles determining the time and place of a shareholders' meeting)

Shareholders' meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9 a.m. or later than 3 p.m. Upon becoming a public company, the Company shall fully consider the opinions of independent directors regarding the place and time of convening a meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a video conference shareholders' meeting.

Article 6 (Preparation of the attendance book and other documents)

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 qualified personnel shall be assigned to handle the registrations. For video conference shareholders' meetings, shareholders may begin to register on the video conference meeting platform 30 minutes before the meeting commences. Shareholders completing registration will be deemed to have attended 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 the shareholders. Solicitors soliciting power of attorney forms shall also bring identification documents for verification.

The Company shall either provide an attendance book for shareholders to sign or have shareholders present a sign-in card in lieu of signing.

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, with the number being limited to the available director seats for that session. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it at the meeting.

In the event of a video conference shareholders' meeting, shareholders wishing to attend the meeting via video conference shall register with the Company two days before the meeting date.

In the event of a video conference shareholders' meeting, the Company shall upload the meeting handbook, annual report, and other meeting materials to the video conference meeting platform at least 30 minutes before the meeting commences, and keep this information disclosed until the meeting concludes.

Article 6-1 (Particulars to include in the notice for a video conference shareholders' meeting)

To convene a video conference shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

- I. How shareholders can attend the video conference meeting and exercise their rights.
- II. Actions to be taken if the video conference meeting platform or participation in the video conference meeting is obstructed due to natural disasters, accidents, or other force majeure events, which shall cover at least 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 shareholders' meeting by video conference shall not attend the postponed or resumed session.
 - (III) In case video conferencing is disrupted during a shareholders' meeting with video conference assistance, the meeting shall continue if the total number of shares represented at the meeting, excluding those by shareholders attending via video conference, meets the legal quorum required. The shares of shareholders attending via video conference shall be counted towards the total number of shares represented by shareholders present at the meeting. The shareholders attending the meeting via video conference shall be deemed abstaining from voting on all proposals on the agenda of that shareholders' meeting.
 - (IV) Actions to be taken if the outcomes of all proposals have been announced and no extempore motions have been carried out.
- III. To convene a video conference shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference shall be specified.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders' meeting is convened by the Board, the chairperson of the Board shall preside over the meeting. If the chairperson is on leave or for any reason unable to perform their duties, they shall designate another director to act as meeting chair. If the chairperson does not make such a designation, the directors shall elect an acting chair from among themselves.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and understands the financial and business conditions of the Company. This provision also applies to representatives of juristic person directors who serve as chair.

It is advisable that shareholders' meetings convened by the Board be personally chaired by the chairperson of the Board 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.

If a shareholders' meeting is convened by a party with power to convene but other than the Board, the convening party shall preside over the meeting. When there are two or more such convening parties, they shall elect one person from among themselves to act as chair.

The Company may appoint its attorneys, certified public accountants, or other related persons engaged by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Audio or video documentation of shareholders' meetings)

The Company, beginning from the moment it accepts shareholder attendance registrations, shall make audio and video recordings of the registration procedure, the proceedings of the shareholders meeting, and the voting

and vote-counting procedures.

The recorded materials mentioned in 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 ballots shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held via video conference, the Company shall document and retain 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 entire proceedings of the video conference meeting from beginning to end.

The information and audio and video recordings mentioned in the preceding paragraph shall be properly kept by the Company for the duration of its existence, and copies of the audio and video recordings shall be provided to, and retained by, the party appointed to handle the affairs of the video conference 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 video conference meeting platform, plus the number of shares whose voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the scheduled meeting time and announce related information including the number of shares without voting rights and the number of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum remains unmet 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 video conference shareholders' meeting, the Company shall also declare the meeting adjourned on the video conference meeting platform.

If the quorum remains unmet 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 provisional resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the provisional resolution and another shareholders' meeting shall be convened within one month. In the event of a video conference shareholders' meeting, shareholders intending to attend the meeting via video conference shall re-register with 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 provisional resolution for a vote at 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, the meeting agenda shall be set by the Board. Once the Company's stocks are listed on the stock exchange or traded over-the-counter, votes shall be cast on each separate proposal in the agenda (including extempore 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 provision set out in the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene, other than the Board.

The chair may not adjourn the meeting prior to completion of deliberation on the meeting agenda of the

preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair adjourns the meeting in violation of the rules of procedure, the other members of the Board shall promptly assist the shareholders present in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the shareholders present, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair determines 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 allocate sufficient time for voting.

Article 11 (Shareholders' speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their 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 content of the speech 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 five 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.

Following an attending shareholder's speech, the chair may respond in person or direct relevant personnel to respond.

When a shareholders' meeting is convened via video conference, shareholders attending online are permitted to submit questions in writing through the video conference meeting platform from the moment the chair opens the meeting until the chair adjourns it. Each shareholder may raise no more than two questions per proposal and each question shall contain no more than 200 words. The provisions specified in Paragraphs 1 to 5 are not applicable.

Provided that questions raised in accordance with the preceding paragraph do not violate any provisions or extend beyond the scope of a proposal, it is advisable that such questions be made publicly accessible on the video conference meeting platform.

Article 12 (Calculation of Voting Rights and Recusal Policy)

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.

Except for a trust enterprise or a shareholder services agent approved by the competent securities authorities, 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.

After publicly offering its stocks, the Company may allow voting rights to be exercised in writing or electronically (pursuant to the provision in Article 177-1, Paragraph 1 of the Company Act, which stipulates that certain companies shall adopt electronic means for voting under specific conditions: When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may also adopt exercise of voting rights in writing. When voting rights are exercised by written or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by written or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by written or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 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.

After a shareholder has exercised voting rights by written or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video conference, a written declaration of intent to cancel 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, two business days before the date of the shareholders meeting. If the notice of cancellation is submitted after this deadline, the voting rights already exercised by written or electronic means shall prevail. When a shareholder has exercised voting rights both by written 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 the voting process, if the chair solicits objections and none are voiced, the proposal shall be deemed passed, with the same force and effect as if it had been passed by a 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.

Scrutineers and tellers for the voting on a proposal shall be appointed by the chair, provided that all scrutineers 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. Upon completion of the vote counting, 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 video conference shareholders' meeting, after the chair calls the meeting to order, shareholders attending the meeting via video conference shall cast votes on proposals and elections on the video conference meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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

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

When shareholders exercise voting rights by written or electronic means, unless they have canceled the declaration of intent and attended the shareholders' meeting via video conference, except for extempore motions, they may 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 proposals.

Article 14 (Election)

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

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the scrutineer 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 ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Upon becoming a public company, the Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the MOPS.

Upon becoming 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 outcomes. In the event of an election of directors, the minutes shall also disclose the number of votes received by each candidate. The minutes shall be retained for the duration of the existence of the Company.

Where a video conference 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 obstruction to the video conference meeting platform or participation in the meeting via video conference 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 video conference shareholders' 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 shareholders' meeting via video conference.

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 written or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event of a video conference shareholders' meeting, the Company shall upload the aforementioned meeting materials to the video conference meeting platform at least 30 minutes before the meeting commences, and keep this information disclosed until the meeting concludes.

During the Company's video conference shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the video conference 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 the Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintenance of order at the meeting venue)

Staff handling administrative affairs at a shareholders' meeting shall wear identification badges or arm patches. The chair may direct the stewards or security personnel to help maintain order at the meeting place. When stewards or security personnel help maintain order at the meeting place, they shall wear an arm patch labeled "Steward" or an identification badge.

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 doing so.

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 instruct the stewards or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in session, the chair may announce a break based on time considerations. In the event of a force majeure event, the chair may rule the meeting temporarily suspended and announce a resumption time that considers the circumstances.

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

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

Article 19 (Information disclosure at video conferences)

In the event of a video conference shareholders' meeting, the Company shall disclose real-time results of votes

and election immediately after the end of the voting session on the video conference meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has declared the meeting adjourned.

Article 20 (Location of the chair and secretary of video conference shareholders meetings)

When the Company convenes a video conference shareholders' meeting, both the chair and the secretary shall be at the same location in Taiwan, and the chairperson shall declare the address of their location when calling the meeting to order.

Article 21 (Handling of disconnection)

In the event of a video conference 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 video conference meeting platform or participation in the meeting via video conference 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 not having registered to attend the affected shareholders' meeting via video conference 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 via video conference 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, counted, and the results or the list of elected directors have been announced.

When the Company convenes a hybrid shareholders' meeting with video conference assistance, and the meeting cannot continue as described in the second paragraph, the meeting shall continue if the total number of shares represented at the meeting, excluding those by shareholders attending via video conference, still meets the legal quorum required, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the meeting via video conference shall be counted towards the total number of shares represented by shareholders present at the meeting, provided that 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 the second half of Article 12, 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, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22 (Dealing with digital gaps)

When the Company convenes a video conference shareholders' meeting, it shall provide appropriate alternative measures available to shareholders with difficulties in attending the meeting via video conference.

Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 24

These Rules were formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

4th amendment on May 12, 2023.

Taiwan Speciality Chemicals Corporation

Procedures for the Election of Directors

Article 1

Purpose: The Procedures are formulated to ensure the just, fair, and open election of directors.

Article 2

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.

Article 3

The overall composition of the Board of Directors (the "Board") shall be taken into consideration in the election and appointment of the Company's directors. The composition of the Board 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 recommended 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.

All members of the Board 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. Ability to make sound business judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to manage a business.
- IV. Ability to respond to a crisis.
- V. Knowledge of the industry.
- VI. An understanding of international markets.
- VII. Leadership.
- VIII. Decision-making ability.

A majority 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 the Company shall consider adjusting its composition based on the results of performance evaluation.

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 4

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls short by one-third of the total number prescribed in the Company's articles of incorporation, the Company shall call an extraordinary meeting within 30 days from the date of occurrence to hold a by-election to fill the vacancies. Upon becoming a public company, the Company shall call an extraordinary meeting within 60 days from the date of occurrence to hold a by-election for filling the vacancies. Upon becoming a public company, if the number of independent directors falls below that required under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation

rules governing the review of listings, or Subparagraph 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 next shareholders' meeting to fill the vacancies. When the independent directors are dismissed en masse, an extraordinary meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5

The cumulative voting method shall be used for the 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.

Article 6

A party with the power to convene 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.

Article 7

The number of directors will be as specified in the Company's articles of incorporation, with voting rights calculated separately for each director position. 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 8

Before the election begins, the chair shall appoint a number of persons to serve as scrutineers and tellers, with the requirement that all scrutineers must be shareholders. The ballot boxes shall be prepared by the party with the power to convene and publicly inspected by the scrutineers before voting commences.

Article 9

Ballots are considered void in any of the following circumstances:

- I. The ballot was not prepared by a party with the power 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's name on the ballot does not match any name on the director candidate list upon verification.
- V. Other words or marks are entered on the ballot in addition to the number of voting rights allotted.

Article 10

After the conclusion of the voting, the votes shall be calculated immediately on the spot, and the voting results shall be announced on-site immediately by the chair, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the scrutineer 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 ballots shall be retained until the conclusion of the litigation.

Article 11

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

Article 12

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Article 13

These Procedures were formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

4th amendment on May 12, 2023.

Taiwan Speciality Chemicals Corporation

Current Shareholding of Directors

- I. The Company has issued a total of 138,236,552 shares. In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the minimum shareholding requirement shall be 8,294,193 shares.
- II. With the establishment of an Audit Committee, the Company is not subject to the statutory shareholding requirement for supervisors.
- III. The number of shares held by all directors of the Company as recorded in the shareholders' register on the book closure date of the 2024 Annual General Meeting (March 8, 2024) is as follows:

Job Title	Name	Number of shares held	Note
Chairperson	Representative of Sino-American Silicon Products Inc.: Hsiu-Lan Hsu	41,590,354	
Director	Representative of Sino-American Silicon Products Inc.: Tang-Liang Yao	41,590,354	
Director	Representative of Sino-American Silicon Products Inc.: Hsiu-Ling Hsu	41,590,354	
Director	Representative of Wintec Innovation Co., Ltd.: Rih-Jyun Li	7,765,517	
Independent Director	Chung-Xian Liu	0	
Independent Director	Ru-Sheng Hong	0	
Independent Director	Ding-Kuo Chen	0	
Total shareholdings of all directors		49,355,871	The statutory proportion has been reached.

Additional Information

The handling of shareholder proposals for this year's Annual General Meeting is as follows:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent or more of the total number of outstanding shares of the company may submit a proposal for discussion at an annual general meeting, provided that each proposal is limited to a single matter. If a proposal contains more than one matter, it shall not be included in the agenda.
2. The Company's Annual General Meeting this year will accept applications for shareholders' written proposals from March 1, 2024, through March 11, 2024. This period has been announced on the Market Observation Post System (MOPS) as required by law.
3. The Company has not received any written proposals from shareholders.