



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

Shareholders' Meeting of 2025

Meeting Handbook

Time: 9:00 am, May 19, 2025 (Mon.)

Location: No. 1, Zhangbin W. 3rd Rd., Xianxi Township, Changhua

County (Conference Room at 1F of the Company)

Form of Shareholders' Meeting: Physical

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

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Taiwan Speciality Chemicals Corporation Meeting Procedure for the 2025 Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson's Opening Remarks

III. Report Items

IV. Recognition Items

V. Discussion

VI. Extraordinary Motions

VII. Meeting Adjourned

Taiwan Speciality Chemicals Corporation

Shareholders' Meeting of 2025

One. Time: 9:00 am, May 19, 2025 (Mon.)

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

Three. Speech by the Chair

Four. Report Items

- I. Report on business operation status in 2024.
- II. The review by the audit committee on the report on the final accounts of 2024.
- III. Report on employees and directors remuneration distribution of 2024.
- IV. Report on the distribution of cash dividends from 2024 profit.

Five. Recognition Items

- I. 2024 business report and financial statement.
- II. The Company's surplus distribution plan for 2024.

Six. Discussion:

- I. Proposal of amendment to Articles of Incorporation.
- II. Proposal of amendment to Procedures for Acquisition or Disposal of Assets

Seven. Extraordinary Motion.

Eight. Meeting Adjourned.

Four. Report Items

Proposal 1

Cause: Report on business operation status in 2024.

Description: For the Business Report of 2024, please refer to pages 7-10 of the Handbook (Attachment 1).

Proposal 2

Cause: The review by the audit committee on the report on final accounts of 2024.

Description: For the review report of the audit committee, please refer to page 11 of the Handbook (Attachment 2).

Proposal 3

Cause: Report on employees and directors remuneration distribution of 2024.

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

2. The Company intends to distribute NT\$14,140 thousand in cash to employees (with a distribution ratio of 3.5%); and NT\$2,020 thousand to distribute directors in cash (with a distribution ratio of 0.5%).

Proposal 4

Cause: Report on the distribution of cash dividends from 2024 profit.

Description: 1. In accordance with Article 26, Paragraph 1 of the Company's Articles of Incorporation and the special resolution passed by the Board of Directors on February 17, 2025, it is proposed to allocate NT\$295,363,104 from the distributable earnings of 2024 as shareholder dividends (with a cash dividend of NT\$2 per share).

2. Shareholders' cash dividends are calculated according to the distribution

ratio up to NT\$1, the amount less than NT\$1 is rounded up, and the total amount of fractional shares less than NT\$1 shall be included in other income.

3. If the Company buys back, transfers or cancels the treasury stocks, and issues new shares for capital increase for cash, which affects the number of outstanding shares of the Company and causes changes in the dividend distribution ratio of shareholders, it is proposed to authorize the chairperson to adjust the distribution ratio.
4. The Chairperson is authorized to determine the ex-dividend date and the cash dividend distribution date.

Five. Recognition Items

Proposal 1 (proposed by the board of directors)

Cause: The 2024 business report and financial statement are submitted for recognition.

Description: 1. The Company's 2024 financial statements have been audited by An-Chih Cheng and Yong-Hua Huang from KPMG Taiwan, and an unqualified opinion has been issued.

2. For the aforementioned Business Report and financial statement, please refer to pages 7-10 (Attachment 1) and pages 12-18 (Attachment 3) of the Handbook.

Resolution:

Proposal 2 (proposed by the board of directors)

Cause: The proposal of the distribution of surplus of 2024 is submitted for recognition.

Description: Please refer to page 19 (Attachment 4) of the Handbook for the surplus distribution for 2024.

Resolution:

Six. Discussion

Proposal 1 (proposed by the board of directors)

Cause: Amendment to Articles of Incorporation.

Description: 1. According to the FSC directive Jin-Guan-Zheng-Fa-Zi No. 1130385442 issued on November 8, 2024 (hereinafter referred to as the “FSC Directive”), additional provisions are stipulated for companies whose shares are listed on a securities exchange or traded on TPEx, requiring them to specify in their Articles of Incorporation the allocation of a certain percentage of annual earnings for salary adjustments or remuneration distribution to entry-level employees. The Company intends to amend certain provisions of the “Articles of Incorporation” in accordance with this directive.

2. For comparison before and after the amendment, please refer to page 20-21 of the Handbook (Attachment 5).

Resolution:

Proposal 2 (proposed by the board of directors)

Cause: Amendment to Procedures for Acquisition or Disposal of Assets.

Description: 1.To add the responsibilities of the Vice Chairperson and to amend the total amount and individual limits of property and right-of-use assets or marketable securities acquired by the Company for non-operating purposes, partial provisions of the “Procedures for the Acquisition or Disposal of Assets” are proposed to be amended.

2. For comparison before and after the amendment, please refer to page 22-24 of the Handbook (Attachment 6).

Resolution:

Seven. Extraordinary Motion.

Eight. Meeting Adjourned

Taiwan Speciality Chemicals Corporation Business Report

Dear Shareholders,

First of all, I would like to thank all shareholders for their support and care for the Company. We mainly focus on the production of precision high-end electronic-grade gases and chemicals, and the sales of Disilane, Trisilane and agency products are the current sources of our revenue. We hereby report the summary report on the business results of 2024 and the business plan in 2025 as follows:

I. 2024 Business results

(I) Results of implementation of business plan

In 2024, the Company continued to introduce key major suppliers' supply chains and expand revenue from agency products. The Company's operating revenue for 2024 reached NTD 873,964 thousand, representing a 57.89% growth compared to 2023. Revenue continues to show a growth trend, with a net profit after tax of NTD 385,593 thousand.

Results of implementation of business plan are as follows:

Unit: NT\$1,000

Item/Year	2024	2023	Percentage of Increase/Decrease
Operating Revenue	873,964	553,523	57.89%
Operating cost	411,209	343,290	19.78%
Gross profit	462,755	210,233	120.12%
Operating expenses	98,081	72,435	35.41%
Net operating income	364,674	137,798	164.64%
Net income before tax	385,593	139,199	177.01%
Net income of the current period	385,593	155,653	147.73%

(II) Implementation of operating income and expense budget:

In 2024, the Company has no external financial forecast.

(III) Financial income and expense and profitability analysis

Item		2024	2023
Financial structure	Ratio of Liabilities to Assets (%)	4.53%	4.55%
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	246.38%	127.59%
Analysis of Profitability	Return on total assets (%)	14.76%	8.55%
	Return on equity (%)	15.46%	9.02%
	Pre-tax income to paid-in capital (%)	26.11%	10.07%
	Profit margin (%)	44.12%	28.12%

(IV) Financial balance

In 2024, the Company's operating revenue was NTD 873,964 thousand, operating costs were NTD 411,209 thousand, operating expenses were NTD 98,081 thousand, net non-operating income was NTD 20,919 thousand, net income before tax was NTD 385,593 thousand, and net profit of the current period was NTD 385,593 thousand, which indicates that the financial balance is normal.

(V) Research and development (R&D)

1. Research and development expenditure in 2024:

Unit: NT\$1,000

Item/Year	2024	2023
R&D Expenditures	18,439	18,314
Operating Revenue	873,964	553,523
Ratio of R&D expenses to net operating revenue (%)	2.11%	3.31%

2. Annual research and development achievements in 2024:

(1) Electronic-grade dry etching gas dispensing facility system and technology.

3. Future R&D plan:

(1) Development of special gas product materials and process setup for carbon silicon and nitrogen silicon precursors derived from chlorosilane.

(2) Development of testing and analysis techniques for trace metal impurities in specialized gases or specialty chemicals for advanced etching and electronic-grade silicon-based precursor products, as well as the establishment of related facilities.

II. Summary of the Business Plan for 2025

(I) Business Policy

The Company has accumulated numerous market advantages, such as sales performance with multiple top-tier international semiconductor customers, synthesis and purification process technology for silane-based specialty gases, advanced logistics equipment for specialty gases, an intelligent cylinder management system, a healthy financial position, and a professionally compliant specialized production base for specialty gases, all of which are favorable for expansion and development.

To strengthen the Company's product portfolio, the Company will invest in the independent development of silicon-based precursor products this year. At the same time, it will expand the ultra-trace element analysis laboratory to enhance market competitiveness. The Company will streamline and eliminate bottlenecks in the Disilane specialty gas production line using self-developed technology. This approach will effectively increase production capacity without significant capital expenditures, further enhancing the core market competitiveness. In addition, the Company will select high-quality specialized and specialty gas industry chain partners to form strategic alliances, engaging in vertical integration and horizontal division of labor. This localized strategy will rapidly enrich the product portfolio, positioning the Company as a comprehensive solution provider for high-end transistor manufacturing.

(II) Expected sales volume and its basis

In 2025, the Company's shipment volume and revenue are expected to benefit from the expansion of advanced process applications in logic chips, which will further increase the demand for high-end specialty gas materials, contributing to growth in the Company's main product, Disilane. Additionally, the new product, anhydrous hydrogen fluoride, will be

introduced into the process in 2025 to contribute to revenue. However, due to the stringent product certification process, the shipment volume is expected to grow gradually in stages. In addition to consolidating growth in existing market product sales, the overseas agency business is expected to bring another wave of growth to the Company in 2025, as customer mass production plans unfold. The revenue target for the entire year of 2025 is to achieve a double-digit growth rate.

(III) Important production and marketing policies

1. Continuously innovate concepts to generate cash inflows from operating activities.
2. The core production goal is to ensure the highest quality assurance and continuously strengthen production safety.
3. Build new operational growth momentum.
4. Increase production capacity utilization to meet market demand growth.
5. Continuously optimize customer service, increase added value, and enhance customer loyalty.

(IV) Future development strategies for the Company

1. Continuously develop next-generation products, stay at the forefront of the market, and create new blue oceans.
2. Rapidly enrich the product portfolio through industry integration to create a new industrial value chain.
3. Undergo digital transformation, leveraging automation and intelligence to drive growth.
4. Operate with ethical corporate management, establishing a business value and culture that takes pride in Taiwan's specialty chemicals industry.

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

1. The global specialty gas producers are facing market competition threats due to Chinese specialty gas manufacturers adopting low-price strategies for dumping caused by overcapacity. Particularly for exports to customers in China, although the Company is not restricted by its domestic production policy from exporting to the region, the prevailing price-cutting trend in the local market poses a threat to ASP. The Company will adopt a more proactive and flexible strategy to address this irrational and unhealthy market competition. In addition to leveraging cost advantages to secure market share, the Company will also take into account the domestic production policy of China. Without transferring technology, talent, or investments, it will assess strategies that comply with the laws of the Taiwan while enhancing competitiveness in the Chinese market.
2. It is anticipated that after the new U.S. administration takes office, tariff strategies will be employed as a means to pursue national interests, leading to a new wave of changes in the global economic and trade landscape. A regionalized, small-yard, high-fence economic system is expected to take shape amid escalating trade disputes. The Company, in response to this development, has assessed its competitive advantages and should still have room for flexible adaptation. In the short term, there is not expected to be a significant impact on the Company's operational growth. However, in the long term, it remains essential to continuously monitor global semiconductor market trends and respond to challenges as they arise.
3. The establishment of a carbon-neutral operating environment has become a global trend, with increasingly stringent requirements from policies, regulations, and customers regarding energy conservation and carbon reduction. As the Company's processes utilize low-carbon technology, this provides a competitive advantage in securing orders. Moving forward, the Company will continue to focus on developing new products using low-carbon production techniques, not only aligning with customers' carbon reduction demands but also mitigating the impact of climate change on its operations. At the same time, the Company will continue

to expand the power generation capacity of its solar power plants, increasing the coverage and utilization of green energy, with the core objective of achieving RE100.

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

We wish you a healthy and prosperous life.

Chairperson: Hsiu-Lan Hsu

President: Hsiung-Fei Chang

Chief Accountant: Teng-Jen Lai

Audit Committee's Review Report

The Board of Directors has prepared the 2024 Business Report, 2024 financial statements, and the 2024 earnings distribution proposal, among which the financial statements were audited and verified by CPAs An-Chih Cheng and Yong-Hua Huang from KPMG Taiwan, by whom an audit report was issued. The above-mentioned Business Report, financial statements and earnings distribution proposal have been reviewed by the audit committee, and there is no discrepancy. The report as above is submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:
Shareholders' Meeting of 2025

Taiwan Speciality Chemicals Corporation
Convener of the Audit Committee

Chung-Hsien Liu

February 17, 2025

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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of 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 Norm of Professional Ethics for Certified Public Accountant of Republic of China 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 speciality electronic-graded gases and chemicals. Revenue recognition is also dependent on whether the specified sales terms in each individual contract are met. Because of different sales types and contract terms, it takes efforts to assess the timing of revenue recognition based on trade terms agreed with the customer. As such, we determined that revenue recognition is the key audit area that we 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 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 Consolidated 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 with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 17, 2025

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 725,590	21	154,770	8	2170	Accounts payable	\$ 74,668	2	21,558	1
1136	Financial assets measured at amortized cost — current (note 6(2))	1,000,000	30	-	-	2201	Payroll and bonus payable	38,510	1	16,682	1
1170	Notes and accounts receivable, net (note 6(3))	136,752	4	120,612	7	2220	Other payable — related parties (note 7)	39	-	42	-
1210	Other receivable — related parties (note 7)	135	-	141	-	2300	Other current liabilities (notes 6(9) and (10))	39,903	1	45,285	3
130X	Inventories (note 6(4))	154,472	5	138,682	8			153,120	4	83,567	5
1479	Other current assets (note 6(8))	17,200	-	6,787	-	Non-Current liabilities:					
		2,034,149	60	420,992	23	2600	Other non-current liabilities (notes 6(9) and (10))	107	-	196	-
Non-current assets:						Total liabilities					
1600	Property, plant and equipment (notes 6(5) and 8)	1,311,884	39	1,376,941	75	Equity (notes 6(13) and (14)):					
1755	Right-of-use assets (note 6(6))	-	-	110	-	3110	Ordinary shares	1,476,816	44	1,382,366	75
1780	Intangible assets (note 6(7))	904	-	1,195	-	3200	Capital surplus	1,133,780	33	-	-
1840	Deferred tax assets (note 6(12))	36,958	1	36,958	2	3350	Retained earnings	621,572	19	374,216	20
1990	Other non-current assets (note 6(8))	1,500	-	4,149	-	Total equity					
		1,351,246	40	1,419,353	77	Total liabilities and equity					
Total assets		\$ 3,385,395	100	1,840,345	100			\$ 3,385,395	100	1,840,345	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, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (note 6(16))	\$ 873,964	100	553,523	100
5000	Operating costs (notes 6(4), (5), (11) and (17))	411,209	47	343,290	62
	Gross profit from operations	<u>462,755</u>	<u>53</u>	<u>210,233</u>	<u>38</u>
	Operating expenses (notes 6(5), (6), (7), (11), (17) and 7):				
6100	Selling expenses	24,375	3	14,295	3
6200	Administrative expenses	55,267	6	39,826	7
6300	Research and development expenses	18,439	2	18,314	3
		<u>98,081</u>	<u>11</u>	<u>72,435</u>	<u>13</u>
	Net operating income	<u>364,674</u>	<u>42</u>	<u>137,798</u>	<u>25</u>
	Non-operating income and expenses:				
7100	Interest income (note 6(18))	10,862	1	1,113	-
7010	Other income (notes 6(18) and 7)	2,243	-	2,787	1
7020	Other gains and losses (notes 6(5), (18) and 7)	7,815	1	(2,495)	(1)
7050	Finance costs (note 6(18))	(1)	-	(4)	-
		<u>20,919</u>	<u>2</u>	<u>1,401</u>	<u>-</u>
	Income before income tax	385,593	44	139,199	25
7950	Less: Income tax benefit (note 6(12))	-	-	(16,454)	(3)
	Net income	<u>385,593</u>	<u>44</u>	<u>155,653</u>	<u>28</u>
8300	Other comprehensive income	-	-	-	-
8500	Total comprehensive income	<u>\$ 385,593</u>	<u>44</u>	<u>155,653</u>	<u>28</u>
	Earnings per share (NT dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 2.74</u>		<u>1.13</u>	
9850	Diluted earnings per share	<u>\$ 2.73</u>		<u>1.12</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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total retained earnings	Total equity
Balance at January 1, 2023	\$ 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 share	-	-	-	(94,001)	(94,001)	(94,001)
Balance at December 31, 2023	1,382,366	-	40,242	333,974	374,216	1,756,582
Net income for the year	-	-	-	385,593	385,593	385,593
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	385,593	385,593	385,593
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	15,565	(15,565)	-	-
Cash dividends of ordinary shares	-	-	-	(138,237)	(138,237)	(138,237)
Capital increase by cash	94,450	1,131,802	-	-	-	1,226,252
Share-based employee compensation	-	1,978	-	-	-	1,978
Balance at December 31, 2024	\$ 1,476,816	1,133,780	55,807	565,765	621,572	3,232,168

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 385,593	139,199
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	91,559	119,099
Amortization expenses	291	266
Interest expenses	1	4
Interest income	(10,862)	(1,113)
Share-based payments	1,978	-
Loss on disposal of property, plant and equipment	235	68
Recognition (reversal) of write-down of inventory	239	(428)
Recognition (reversal) of impairment loss on non-financial assets	5,000	(20)
Total adjustments	88,441	117,876
Changes in operating assets and liabilities:		
Notes and accounts receivable	(16,140)	(48,896)
Other receivable — related parties	6	(3)
Inventories	(16,029)	27,709
Other operating assets	(9,845)	(4,026)
Accounts payable	53,110	7,783
Other payable — related parties	(3)	(234)
Other current liabilities	33,460	(5,880)
Total changes in operating assets and liabilities	44,559	(23,547)
Total adjustments	133,000	94,329
Cash inflow generated from operations	518,593	233,528
Interest received	10,294	1,113
Interest paid	(1)	-
Net cash flows generated from operating activities	528,886	234,641
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(45,546)	(100,885)
Proceeds from disposal of property, plant and equipment	70	966
Decrease (increase) in refundable deposits	(254)	30
Acquisition of intangible assets	(150)	(330)
Increase in financial assets at amortized cost	(1,000,000)	-
Net cash flows used in investing activities	(1,045,880)	(100,219)
Cash flows from financing activities:		
Decrease in guarantee deposits	(89)	(59)
Cash dividends paid	(138,237)	(94,001)
Proceeds from capital increase by cash	1,226,252	-
Repayment of the principal portion of lease liabilities	(112)	(192)
Net cash flows from (used in) financing activities	1,087,814	(94,252)
Net increase in cash and cash equivalents	570,820	40,170
Cash and cash equivalents at beginning of period	154,770	114,600
Cash and cash equivalents at end of period	\$ 725,590	154,770

See accompanying notes to financial statements.

Taiwan Speciality Chemicals Corporation

FY2024

PROFIT DISTRIBUTION TABLE

Unit: NT\$

Item	Subtotal	Total
Beginning retained earnings		180,172,641
Add (less):		
Net income of the current period		385,593,379
Distributable earnings		565,766,020
Add (less):		
Legal reserve set aside	(38,559,338)	
Distributable items:		
Shareholder dividend - cash	(295,363,104)	
Undistributed earnings at the end of the period		231,843,578

Chairperson:

President:

Chief Accounting Officer:

Taiwan Speciality Chemicals Corporation

Comparison Table for the Company's Articles of Incorporation

Articles	Before	After	Explanation
Article 25-1	<p>If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses.</p> <p>The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors referred to in the preceding paragraph shall be paid only in cash.</p> <p>By a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, the Company shall have the profit distributable as employees' compensation in the preceding two paragraphs distributed; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.</p>	<p>If the Company makes any profit in any particular fiscal year, no less than 1% shall be allocated as employee remuneration (of which no less than 60% of this amount shall be distributed as remuneration for entry-level employees), and no more than 1% shall be allocated as directors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses.</p> <p>The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors referred to in the preceding paragraph shall be paid only in cash.</p> <p>By a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, the Company shall have the profit distributable as employees' compensation in the preceding two paragraphs distributed; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.</p>	Based on Article 14, Paragraph 6 of the Securities and Exchange Act, the contents of the provisions are added and amended.
Article 29	<p>Formulated on March 21, 2013</p> <p>1st amendment on May 2, 2013.</p> <p>2nd amendment on June 24, 2014</p> <p>3rd amendment on November 18, 2014.</p> <p>4th amendment on January 6, 2017.</p>	<p>Formulated on March 21, 2013</p> <p>1st amendment on May 2, 2013.</p> <p>2nd amendment on June 24, 2014</p> <p>3rd amendment on November 18, 2014.</p> <p>4th amendment on January 6, 2017.</p>	Update and revision history

	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 May 6, 2024.	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 May 6, 2024. <u>11th amendment on May 19, 2025.</u>	
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Taiwan Speciality Chemicals Corporation

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

Articles	Before	After	Explanation
Article 4	<p>I. The acquisition or disposal of various assets of the Company shall be approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.</p> <p>II. Assessment Procedures and Processes (I) Acquisition of relevant assets: 1. For securities investor, the Finance and Accounting Department shall be responsible for the assessment. 2. For property, equipment, and right-of-use assets, the capital expenditure plan shall be formulated in advance by each unit. The capital expenditure budget shall be compiled after the feasibility assessment is submitted to the Finance and Accounting Department, and then approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities” (FP007). The plan shall be executed and controlled in accordance with its content.</p>	<p>I. The acquisition or disposal of various assets of the Company shall be approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.</p> <p>II. Assessment Procedures and Processes (I) Acquisition of relevant assets: 1. For securities investor, the Finance and Accounting Department shall be responsible for the assessment. 2. For property, equipment, and right-of-use assets, the capital expenditure plan shall be formulated in advance by each unit. The capital expenditure budget shall be compiled after the feasibility assessment is submitted to the Finance and Accounting Department, and then approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”. The plan shall be executed and controlled in accordance with its content.</p>	Deletion of the numbering of the “Guidelines for Hierarchical Responsibilities”
Article 7	<p>Total amounts of property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for business use, and limits on individual securities:</p> <p>I. The total amount of real estate and right-of-use assets or securities that the Company may purchase for non-business use shall not exceed <u>150%</u> of the paid-in capital or 100% of the net value in the latest financial statement (whichever is higher), the investment in individual securities shall not exceed <u>100%</u> of the paid-in capital in the latest financial statement; and the total amount of short-term investment and undisposed idle assets or real estate held shall not exceed 70% of the shareholder’s equity in the latest financial statement.</p>	<p>Total amounts of property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for business use, and limits on individual securities:</p> <p>I. The total amount of real estate and right-of-use assets or securities that the Company may purchase for non-business use shall not exceed <u>250%</u> of the paid-in capital or <u>150%</u> of the net value in the latest financial statement (whichever is higher), the investment in individual securities shall not exceed 100% of the net value of the latest financial statement; and the total amount of short-term investment and undisposed idle assets or real estate held shall not exceed 70% of the shareholder’s equity in the latest financial statement.</p>	Amended the total amounts of real property and right-of-use assets thereof or securities acquired by the Company for business use, and limits on individual securities

Article 9	<p>Procedures for Financial Derivatives Transactions:</p> <p>I. Trading principles and strategies: Omitted. (I) to (II) omitted. (III) The division of powers and responsibilities of the Company in derivatives transactions is as follows:</p> <p>1. Powers and responsibilities of the Board of Directors: Omitted.</p> <p>2. Powers and responsibilities of the president and chairman: Omitted.</p> <p>3. Powers and responsibilities of the cashier of the Financing and Accounting Department: (1) - (4) omitted. (5) Regular assessment: Assess and review operation performance on a weekly and monthly basis and report the summary results to the president and chairman.</p> <p>4. Powers and responsibilities of the Finance and Accounting Department: Omitted.</p> <p>IV) Performance evaluation:</p> <p>1. Non-trading purposes or hedging transactions: (1) - (2) omitted.</p> <p>(3) The cashier of the Financing and Accounting Department shall provide foreign exchange position assessment, foreign exchange market trend and market analysis to the president and chairman as management reference and instructions.</p> <p>2. Non-trading purposes or hedging transactions: Omitted.</p> <p>(V) The total amount of the contract and the upper limit of losses for the Company's derivatives: Omitted.</p> <p>II. Risk management measures: (I) to (II) omitted.</p> <p>(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the president or the chairman with no responsibility for trading or position decision-making. (IV) omitted.</p> <p>III. Operating procedures: (I) to (IV) omitted.</p> <p>(V) Execution of transactions: 1. Trading counterparty: Financial institutions at</p>	<p>Procedures for Financial Derivatives Transactions:</p> <p>I. Trading principles and strategies: Omitted. (I) to (II) omitted. (III) The division of powers and responsibilities of the Company in derivatives transactions is as follows:</p> <p>1. Powers and responsibilities of the Board of Directors: Omitted.</p> <p>2. Powers and responsibilities of the president, <u>vice chairman</u>, and chairman: Omitted.</p> <p>3. Powers and responsibilities of the cashier of the Financing and Accounting Department: (1) - (4) omitted. (5) Regular assessment: Assess and review operation performance on a weekly and monthly basis, and report the summary results to the president, <u>vice chairman</u>, and chairman.</p> <p>4. Powers and responsibilities of the Finance and Accounting Department: Omitted.</p> <p>(IV) Performance evaluation:</p> <p>1. Non-trading purposes or hedging transactions: (1) - (2) omitted.</p> <p>(3) The cashier of the Financing and Accounting Department shall provide foreign exchange position assessment, foreign exchange market trend and market analysis to the president, <u>vice chairman</u>, and chairman as management reference and instructions.</p> <p>2. Non-trading purposes or hedging transactions: Omitted.</p> <p>(V) The total amount of the contract and the upper limit of losses for the Company's derivatives: Omitted.</p> <p>II. Risk management measures: (I) to (II) omitted.</p> <p>(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the president, <u>vice chairman</u>, or the chairman with no responsibility for trading or position decision-making. (IV) omitted.</p> <p>III. Operating procedures: (I) to (IV) omitted.</p> <p>(V) Execution of transactions:</p>	<p>1. Added the powers and responsibilities of the vice chairman</p> <p>2. Deletion of the number of the "log book"</p>
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	<p>home and abroad that have been assessed by the Company. Otherwise, the president shall report to the chairman for approval.</p> <p>2. Omitted.</p> <p>(VI) to (VIII) omitted.</p> <p>IV. Internal audit system: Omitted.</p> <p>V. Regular evaluation methods and the handling of irregular circumstances.</p> <p>(I) to (II) omitted.</p> <p>(III) Trading units shall evaluate at least once a week depending on the number of positions held and market changes. However, if the hedging transaction is required for business, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the president and chairman.</p> <p>(IV) Omitted.</p> <p>(V) The Company engages in derivatives trading shall establish a log book (<u>FR00401</u>) in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.</p>	<p>1. Trading counterparty: Financial institutions at home and abroad that have been assessed by the Company. Otherwise, the president shall report to the <u>vice chairman and chairman</u> for approval.</p> <p>2. Omitted.</p> <p>(VI) to (VIII) omitted.</p> <p>IV. Internal audit system: Omitted.</p> <p>V. Regular evaluation methods and the handling of irregular circumstances.</p> <p>(I) to (II) omitted.</p> <p>(III) Trading units shall evaluate at least once a week depending on the number of positions held and market changes. However, if the hedging transaction is required for business, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the president, <u>vice chairman</u>, and chairman.</p> <p>(IV) Omitted.</p> <p>(V) The Company engages in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.</p>	
Article 17	<p>Supplementary Provisions</p> <p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017.</p> <p>1st amendment on April 29, 2019.</p> <p>2nd amendment on August 25, 2021.</p> <p>3rd amendment on June 17, 2022.</p> <p>4th amendment on May 12, 2023.</p>	<p>Supplementary Provisions</p> <p>Matters not covered in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant regulations of the Company.</p> <p>Formulated on January 6, 2017.</p> <p>1st amendment on April 29, 2019.</p> <p>2nd amendment on August 25, 2021.</p> <p>3rd amendment on June 17, 2022.</p> <p>4th amendment on May 12, 2023.</p> <p><u>5th amendment on May 19, 2025.</u></p>	Update and revision history

Articles of Incorporation of Taiwan Speciality Chemicals Corporation (before amendment)

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

Chapter 2 Shareholding

- Article 6: The total capital of the Company is NT\$4 billion, which is divided into 400 million shares, and each share is NT\$10, which shall be issued in installments. Among them, NT\$100 million is divided into 10,000,000 shares, and the value of each share is NT\$10, which shall be retained for the use of employee stock option certificates and issued in installments according to the resolution of the board of directors to employees of parents or subsidiaries under certain conditions.
- Article 6-1: If the Company is planning to issue employee stock option certificates at a price lower than the net value per share in the financial report that has been verified or reviewed by CPA (the closing price on the issuance date after listing or OTC), it shall be completed with the resolution based on attendance of shareholders representing more than half of the total number of issued shares at the shareholders' meeting and the consent of more than two-thirds of the voting rights of the attending shareholders, and may be processed in installments within one year from the date of the resolution of the shareholders' meeting.
- Article 6-2: Upon the Company being listed or at OTC, If it is planning to buy back the Company's shares in accordance with the provisions of Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act, and transfer the shares to employees at a price lower than the actual average price of the shares bought back, it shall be approved in accordance with the attendance of shareholders representing more than half of the total number of issued shares at the most recent shareholders' meeting, and the consent of more than two-thirds of the voting rights of the present shareholders.
- Article 6-3: Except as otherwise provided by laws and regulations, the Company may purchase the its shares in accordance with Article 167-1 of the Company Act. Qualification requirements of employees,

including the employees of parents or subsidiaries of the company meeting certain specific requirements.

The shares bought back by the Company under Paragraph 1 of this Article shall not be entitled to exercise the rights of a shareholder in respect of such shares.

Article 6-4: When the Company issues new shares, unless otherwise stipulated by laws and regulations, 10% to 15% of the total number of newly-issued shares shall be reserved for purchase by Company employees, and those eligible to purchase may include employees of the parents or subsidiaries who meet certain conditions.

Article 6-5: The Company may issue new shares with restricted stock awards in accordance with Article 267 of the Company Act, and those subject to the issuance may include employees of the parents or subsidiaries who meet certain conditions.

Article 7: The Company will be exempted from printing any share certificate in accordance with Article 161-2 of the Company Act, provided that it shall register with a centralized securities depository institution, and the same applies to other securities.

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

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

Chapter 3 Shareholders' Meeting

Article 10: There are annual general and extraordinary shareholders' meetings. The board of directors shall convene the annual general meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened by the board of directors at any time as needed. The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 11: If a shareholder is unable to attend the shareholders' meeting for any reason, he/she/it shall, in accordance with Article 177 of the Company Act, issue a power of attorney and appoint a proxy to attend.

A shareholder may appoint a proxy to attend the meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" that is announced by the competent authority.

Article 11-1: For the shareholders' meeting held when the Company's shares are listed or listed on emerging stock market, the electronic means shall be listed as one of the manners for shareholders to exercise voting rights, and the method of exercise shall be specified in the notice of shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person, and their exercise of relevant regulations shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 11-2: Upon the Company becomes a public company, if it is planning to apply for the suspension of the public offering, it shall submit the application to the competent authority after reporting to the shareholders' meeting for approval in accordance with Article 156-2 of the Company Act.

Article 12: When the shareholders' meeting is in session, a chair shall be designated in accordance with

Article 182-1 of the Company Act.

Article 13: Unless otherwise stipulated or restricted by laws and regulations, each shareholder of the Company has one voting right for each share held.

Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

The preparation and distribution of the minutes of meetings referred to in the preceding paragraph shall be handled in accordance with Article 183 of the Company Act.

Chapter 4. Directors and Audit Committee

Article 16: The Company shall have 5 to 9 directors on the board. Their term of office is three years. The shareholders' meeting shall elect such directors from candidates with the legal capacity, and they may be re-elected.

The election of directors of the Company adopts the candidate nomination system stipulated in Article 192-1 of the Company Act, and the shareholders' meeting shall elect directors from the list of candidates.

Among the number of directors referred to in the preceding paragraph, there shall be no less than three independent directors, which shall be no less than one-third of the total number of seats of directors.

The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.

The Company may establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors, the number of which shall not be less than three. The audit committee or members of the audit committee shall be responsible for performing the functions and powers of supervisors stipulated in the Company Act, Securities Exchange Act and relevant other laws and regulations. The Company may set up a remuneration committee or other functional committees in accordance with legal regulations or business needs.

Article 17: When the vacant seats of directors reach one-third of the total seats, a by-election shall be conducted in accordance with Article 201 of the Company Act.

Article 18: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may order, ex officio, the company to conduct the re-election of supervisors within a given time limit. If

election of new supervisors is still not effected, the existing supervisors shall be discharged, ipso facto, upon expiry of the time limit hereinabove fixed by the competent authority.

Article 19: The directors shall convene a meeting of the Board of Directors, and with the attendance of more than two-thirds of all directors and the consent of more than half of the directors present, a Chairman and a Vice Chairman shall be elected from among the directors. The Chairman shall represent the Company externally and execute all Company affairs in accordance with laws, the Articles of Incorporation, and the resolutions of the Shareholders' Meeting and the Board of Directors.

Article 20: The Company's business policy and other important matters shall be determined by the board of directors. Except for the first meeting of the board of directors in each session in accordance with Article 203 of the Company Act, the other shall be convened by the chairman who shall also serve as the chair of the meetings. When being unable to perform his/her duties, the chairman shall designate a director to act as the proxy, and if no such designation is made, the directors shall select one proxy among themselves.

The board of directors of the Company shall hold meetings at least once a quarter. The notice of convening of the meeting of board of directors shall specify the reasons for the convening, which shall be delivered to all directors and supervisors in accordance with the laws and regulations. The notice of convening of the meeting board of directors of the Company may be delivered in writing, electronically (E-mail), hardcopy faxing or computer faxing.

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

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

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

The preparation and distribution of the minutes of meetings referred to in the preceding

paragraph shall be handled in accordance with Article 207 of the Company Act.

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

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

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

Chapter 5. Managers

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

Chapter 6. Final Accounts

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

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

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

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

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

Article 26: If there is a surplus earning in the Company's annual final accounts, it shall first allocate for taxes to cover accumulated losses, and then allocate 10% of the balance as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. When necessary, after the special surplus reserve is allocated or reversed according to the laws

or regulations of the competent authority, if there is any surplus, it shall be added to the undistributed surplus of the previous year. The board of directors shall prepare a surplus distribution proposal to be submitted to distribute the surplus in cash, based on Article 240, Paragraph 5 of the Company Act, the board of directors is authorized to distribute all or part of the shareholders' dividends in cash with more than two-thirds of the directors present and a resolution passed by more than half of the directors present, which shall be submitted to the shareholders' meeting; if it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution after distribution. If it is distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution.

The Company will cooperate with business development and expansion in the future. The distribution of profit shall take into account the Company's future capital expenditure budget and capital needs. The annual after-tax surplus shall be deducted from the legal reserve and special reserve. The allocated amount shall not be less than 50% distribution of shareholder dividends; however, when the annual after-tax surplus is less than 5% of the paid-in capital after deducting the legal reserve and special reserve, it may not be distributed; the distribution of shareholder dividends can be made in cash or shares, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.

For the net deduction of other interests accumulated in the previous period, the same amount of special reserve shall be withdrawn from the undistributed surplus of the previous period. If there is still any insufficiency, the amount included in the undistributed surplus of the current period from the current after-tax surplus plus items other than the current after-tax surplus shall be set aside for special reserve.

- Article 26-1: In accordance with Article 241 of the Company Act, for all or part of the legal reserve and additional paid-in capital, new shares or cash will be issued in proportion to the original shares held by shareholders, in the case of distribution in cash, the board of directors shall be authorized to make resolution by the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, which shall be submitted to the shareholders' meeting; in the case of distribution by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.

Chapter 7 Supplementary Provisions

- Article 27: The Company's organizational charter and working rules shall be determined separately by the board of directors.
- Article 28: Any matters not stipulated in these articles of incorporation shall be handled in accordance with the Company Act and other related laws and regulations.
- Article 29: Formulated on March 21, 2013
1st amendment on May 2, 2013.
2nd amendment on June 24, 2014
3rd amendment on November 18, 2014.
4th amendment on January 6, 2017.
5th amendment on July 16, 2018.
6th amendment on April 29, 2019.

7th amendment on August 25, 2021.

8th amendment on June 17, 2022.

9th amendment on May 12, 2023.

10th amendment on May 6, 2024.

Taiwan Speciality Chemicals Corporation

Chairperson: Hsiu-Lan Hsu

Taiwan Speciality Chemicals Corporation

Procedures for Acquisition or Disposal of Assets (before amendment)

Article 1 Legal Basis:

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

Article 2 Scope of Assets:

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

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

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

Article 3 Definitions:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

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

- I. The acquisition or disposal of various assets of the Company shall be approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.
- II. Assessment Procedures and Processes
 - (I) Acquisition of relevant assets:
 - 1. For securities investor, the Finance and Accounting Department shall be responsible for the assessment.
 - 2. For property, equipment, and right-of-use assets, the capital expenditure plan shall be formulated in advance by each unit. The capital expenditure budget shall be compiled after the feasibility assessment is submitted to the Finance and Accounting Department, and then approved in accordance with the provisions of the "Guidelines for Hierarchical Responsibilities" (FP007). The plan shall be executed and controlled in accordance with its content.
 - 3. The Finance and Accounting Department shall be responsible for long-term equity investment. After the feasibility assessment, it can only be approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.
 - 4. Memberships and intangible assets such as patents, copyrights, trademarks, and franchises, etc., shall be submitted to the research and development unit for feasibility assessment, and then approved in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.
 - 5. For a research and development contract, the research and development unit shall conduct a feasibility assessment and then approve it in accordance with the provisions of the “Guidelines for Hierarchical Responsibilities”.
 - (II) Disposal of assets:
 - 1. For assets that are real estate or right-of-use assets, the user unit shall fill in an application form or apply for project application, which shall state the reason for disposal and the method of disposal, etc., and submit it to the Finance and Accounting Department for appraisal, whose approval shall be subject to the provisions of the “Guidelines for

Hierarchical Responsibilities”.

2. For long-term equity investment or short-term securities investors, the Financing and Accounting Department shall be the responsible unit.
3. Intangible assets such as memberships, patents, copyrights, trademarks, and franchises, etc. shall be assessed by the research and development unit.
4. Research and development contracts shall be assessed by relevant business units.

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

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

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

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

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

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

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

Article 6 Acquisition of expert reports:

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

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company’s paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or

right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

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

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

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

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

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

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

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

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

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

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

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

Article 8 Procedures for handling related party transactions:

- I. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the

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

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

- II. When the Company intends to acquire or dispose of property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and audit committee:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with related regulations.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.
With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 4 delegate the board chairman to decide such matters when the transaction is within an amount not exceeding NT\$ 100 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:
 - 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - 2. Acquisition or disposal of real property right-of-use assets held for business use.

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

directors meeting.

Where an Audit Committee has been established in accordance with relevant regulations, it shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution, and Subparagraphs 2 and 3 of Paragraph 3 of Article 4 shall apply mutatis mutandis.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in Subparagraph 1 and the preceding paragraph shall be made in accordance with Article 13, Paragraph 2, herein. "Within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or the Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.

III. When the Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

(I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer.

"Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

(II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

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

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

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

(I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

(II) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current

transaction.

- (III) The property is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build property, either on the Company's own land or on rented land.
 - (IV) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- IV. If the Company's appraisal conducted in accordance with subparagraphs 1 and 2 of paragraph 3 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 5 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (II) Where the Company is acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- V. When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the relevant regulations are uniformly lower than the transaction price, the following steps shall be taken:
- (I) A special reserve shall be set aside against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another public company, then the special reserve called for

shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

- (II) The Audit Committee shall comply with Article 218 of the Company Act.
- (III) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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

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

Article 9 Procedures for Financial Derivatives Transactions:

I. Trading principles and strategies:

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

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

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

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

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

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

1. Set the total contract amount of the trading, as well as the upper limit of all and individual contract losses (i.e. the stop loss point).
2. Regularly evaluate the profit and loss and performance status of derivatives.
3. Strictly evaluate the credit status and professional ability of the transaction counterparty.
4. All transactions and related operations are handled in accordance with relevant laws and regulations.
5. Hedging strategies:
 - (1) For assets or liabilities held by the Company and future needs, in consideration of future market changes, two types of transactions, "segmented" and "selective", are adopted for hedging operations.
 - (2) Due to the change of the objective environment, the operation manner of "hedging" or "anti-hedging" may be adopted alternately to mitigate losses and risks for the Company.
 - (3) Based on changes in the objective environment, the Company enters the market to engage in derivative trading, aiming to avoid operational financial risks and lock in or mitigate non-operating losses.

(III) The division of powers and responsibilities of the Company in derivatives transactions is as follows:

1. Powers and responsibilities of the board of directors:
 - (1) Approve the transaction procedures and submit them to the shareholders' meeting for resolution, and the same shall apply upon amendment.
 - (2) On a regular or occasional basis, convene the meetings of the Board of Directors according to the status of the case, and the chairman shall report to the Board of Directors the performance of derivatives transactions.
 - (3) When the Company engages in derivatives transactions, the responsibilities and powers authorized by the Board of Directors to the chairman are as follows:
 - A. Approval of the list of transaction objects and commodity categories.
 - B. Approval of the list of transaction counterparties and the upper limit of transaction counterparties.
 - C. Approve each individual transaction within the scope of the authorized amount.
2. Powers and responsibilities of the president and chairman:

- (1) Submit the transaction of derivatives to the Board of Directors for resolution.
 - (2) Approval of derivative transactions approved by the Board of Directors.
 - (3) On a regular or occasional basis, report to the Board of Directors the derivatives performance and the implementation results.
3. Powers and responsibilities of the cashier of the Financing and Accounting Department:
- (1) Execution of approved derivative transactions.
 - (2) Collect foreign exchange market information from time to time to determine the trends and risks, familiarize with financial instruments and related laws and regulations, and operation skills, etc., and conduct transactions in accordance with the designated authorized position by the head of the responsible unit to avoid the risk of market price fluctuations.
 - (3) Immediately record the transaction occurrences on a daily basis, and verify their correctness with the accounting documents.
 - (4) Archive daily transaction records sequentially.
 - (5) Regular assessment: Assess and review operation performance on a weekly and monthly basis, and report the summary results to the president and chairman.
4. Powers and responsibilities of the Finance and Accounting Department:
- (1) Accounting and preparation of financial statements shall be conducted in accordance with generally accepted accounting principles or the IFRS as recognized by the FSC. Transaction contracts and vouchers shall be properly retained, and regular public disclosure and reporting shall be carried out.
 - (2) Disclose the Company's transaction information in the financial report.
- (IV) Performance evaluation:
1. Non-trading purposes or hedging transactions:
 - (1) Based on the Company's book exchange rate, interest rate cost and profit and loss arising from derivative transactions as the basis for performance evaluation.
 - (2) In order to fully grasp and express the assessment risk of the transaction, the Company adopts the method of monthly assessment to evaluate the profit and loss.
 - (3) The cashier of the Financing and Accounting Department shall provide foreign exchange position assessment, foreign exchange market trend and market analysis to the president and chairman as management reference and instructions.
 2. Non-trading purposes or hedging transactions:

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

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

Authorization Amount:

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

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

II. Risk management measures:

(I) Risk management scope:

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

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

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

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

III. Operating procedures:

(I) Confirm the trading position.

(II) Analysis and determination of relevant trends.

(III) Determining the specific method of hedging:

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

(IV) Obtain approval for transactions.

(V) Execution of transactions:

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

(VI) Transaction confirmation: After the transaction, the trading staff shall fill in the transaction

receipt, and the confirmation staff will confirm that the conditions of the transaction are consistent with the transaction receipt, and send it to the responsible unit head for approval.

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

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

IV. Internal audit system:

(I) The internal audit personnel shall periodically assess the suitability of internal controls on derivatives and conduct a monthly audit to determine how faithfully the Finance and Accounting Department adheres to the procedures for engaging in derivatives trading. They shall then prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

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

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

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

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

(II) The trading unit shall prepare a risk assessment report quarterly and send it to the auditing unit for reference. The content of the report shall include financial risk management (that is, credit, market price, liquidity, cash flow operations, and legal risks).

(III) Trading units shall evaluate at least once a week depending on the number of positions held and market changes. However, if the hedging transaction is required for business, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the president and chairman.

(IV) If the company's derivatives transactions involve legal matters, it may consult external legal counsel.

(V) The Company engages in derivatives trading shall establish a log book (FR00401) in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

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

In principle, the Company does not engage in transactions of acquiring or disposing of memberships and creditor's rights of financial institutions. If it is required to engage in such transactions later due

to business needs, it will be submitted to the board of directors for approval before formulating relevant operating procedures.

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

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

and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in items 1 and 2 of the preceding subparagraph to the FSC for recordation. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the above-mentioned provisions.

- V. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- VI. When the Company participates in a merger, demerger, acquisition, or transfer of shares, it may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (II) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- VII. The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (I) Handling of breach of contract.
 - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (IV) The manner of handling changes in the number of participating entities or companies.
 - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

- VIII. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- IX. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraphs 3, 4, 5 and 8 of this Article.

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

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

Article 13: Information Disclosure

Under any of the following circumstances, when the Company is acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations and based on its nature within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

- V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

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

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

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

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

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

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

Article 14 Changes to Public Information:

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

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

Article 15 Penalties for violations by managers and handling staff:

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

Article 16 Implementation and Amendment

These Procedures are approved by more than half of all members of the Audit Committee, which shall submit them to the Board of Directors for resolution and then to the shareholders' meeting for approval prior to implementation. If any director expresses objection and there is a record or written statement, the Company shall submit such objection to the shareholders for discussion, and the same shall apply for amendments.

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

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

Article 17 Miscellaneous

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

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

4th amendment on May 12, 2023.

Taiwan Speciality Chemicals Corporation Rules and Procedures of Shareholders' Meeting

Article 1

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

Article 2

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

Article 3 (Convening shareholders meetings and shareholders meeting notices)

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

The Company shall convene a shareholders' meeting via video conference in accordance with the provisions set forth in the Regulations Governing the Administration of Shareholder Services of Public Companies, unless otherwise specified. Such a meeting shall be stipulated in the Articles of Incorporation and approved by a resolution of the Board of Directors. The convening of a shareholders' meeting via video conference shall be conducted upon the attendance of at least two-thirds of all directors and the approval of a majority of the attending directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall notify the shareholders the shareholders meeting notice 20 days before the date of a regular shareholders meeting or 10 days before the date of a special shareholders meeting. In addition, 10 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. After becoming a public company, the Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

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

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

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

announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

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

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

Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

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

Article 4

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

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

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

After a proxy form has been delivered to the Company, if the shareholder intends to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company

before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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

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

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively “shareholders”) will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

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

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

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

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

I. How shareholders attend the virtual meeting and exercise their rights.

II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

- (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
- (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
- (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
- (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except for circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with connection equipment and necessary assistance, specifying the application period for shareholders to request such support and other relevant matters to be noted.

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

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

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

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

Article 8 (Documentation of a shareholders meeting by audio or video)

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

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

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

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

Article 9

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

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

Article 11 (Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

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

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

Article 12 (Calculation of voting shares and recusal system)

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

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

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

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

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

Article 13

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

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

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

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including

the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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

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

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

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

Article 14 (Election of directors and supervisors)

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

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

Article 15

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

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

Upon the Company becomes a public company, the meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results, and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

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

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the

preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16 (Public disclosure)

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

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17 (Maintaining order at the meeting place)

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

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

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

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

Article 18 (Recess and resumption of a shareholders meeting)

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

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

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

Article 19 (Disclosure of information at virtual meetings)

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

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

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

Article 21 (Handling of disconnection)

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

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

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

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

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

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

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

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

Article 22 (Handling of digital gap)

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with connection equipment and necessary assistance, specifying the application period for shareholders to request such support and other relevant matters to be noted.

Article 23

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

Article 24

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

4th amendment on May 12, 2023.

5th amendment on May 6, 2024.

Taiwan Speciality Chemicals Corporation

Shareholdings of Directors

- I. The total number of issued shares of the Company is 147,681,552 shares. According to the provisions of Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, and the minimum number of shares held shall be 8,860,893 shares.
- II. The Company has set up an audit committee, so there is no statutory number of shares held by supervisors.
- III. The number of shares held by all the directors of the Company as recorded in the shareholder register on the date of closing of the 2025 Shareholders’ Meeting (Mar. 21, 2025) is as follows:

Title	Name	Number of shares held	Remarks
Chairperson	Sino-American Silicon Products Inc. Representative: Hsiu-lan Hsu	42,123,354	
Vice Chairperson	Sino-American Silicon Products Inc. Representative: Cheng-Chien Chen	42,123,354	
Director	Sino-American Silicon Products Inc. Representative: Hsiu-Ling Hsu	42,123,354	
Director	Hsin-Ming Kao	50,000	
Director	Hsin-Jung Chen	1,010,700	
Independent Director	Chung-Xian Liu	0	
Independent Director	Ru-Sheng Hong	0	
Independent Director	Ding-Kuo Chen	0	
Total shareholding of all directors		43,184,054	Statutory proportion has been reached

Additional Information

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

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal. And in case a proposal contains more than one matter, such proposal shall not be included in the agenda.
2. The Company's general shareholders' meeting will accept applications for shareholder proposals from March 14, 2025 through March 24, 2025, which has been announced on the MOPS according to law.
3. The Company has not received any written proposals from shareholders.