

# **Pan Asia Chemical Corporation**

## **The 2023 Annual Meeting of Shareholders**

### **Annual meeting handbook**

**June 9, 2023**

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# **Meeting Agenda of the 2023 Shareholders General Meeting of Pan Asia Chemical Corporation**

Meeting Time: 9:00 am, Friday, June 9, 2023

The way the meeting is held: Physical shareholders' meeting

Venue of the Meeting: 3F, No. 350 Songjiang Road, Zhongshan District, Taipei City (Second Conference Room)

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
  - (1) Present the 2022 Business Results.
  - (2) Audit Report of the Auditing Committee.
  - (3) The 2022 distribution of remuneration to employees and directors.
  - (4) Report about amendment to the “Rules of Procedure for Meetings of Board of Directors.”
4. Proposals
  - (1) Confirm the Company’s 2022 business report and financial report.
  - (2) Acknowledging the Company's 2022 Earnings Distribution.
5. Discussion
  - (1) Discussion on amendment to the Company's Articles of Incorporation.
  - (2) Amendment to the “Rules of Procedure for Shareholders Meetings”.
  - (3) Discuss the capitalization of profit to issue new shares.
6. Election
  - (1) Election of 7 Directors (including 3 Independent Directors) for the 15<sup>th</sup> term of the Board.
7. Questions and Motions
8. Adjournment

## **Management Presentation (Company Reports)**

1. Presenting the 2022 Business report. (please see page 13 to 14 of this manual)
2. Please review the audit report from the audit committee. (please see page 15 of this manual)
3. The Company intends to allocate 1% of the 2022 profit as the employee remuneration, an amount of NT\$4,360,815, and 0.3% as directors' remuneration, an amount of NT\$1,308,245.
4. Report about partial amendment to the Company's "Rules of Procedure for Meetings of Board of Directors" for acknowledgement. (please see page 16 to 18 of this manual)

## **Proposals**

Proposal 1 Proposed by the board of directors

**Subject:** The Company's 2022 business and financial reports have been completed and the reports also have been audited and validated by the certified public accounts, Su-Huan You and Owen-P Wang, of Deloitte Taiwan.

**Description:** Business report (please refer to page 13 to 14 of this manual)

Independent auditor's report and financial report (please refer to pages 19 to 25 of this manual).

**Resolutions:**

Proposal 2 Proposed by the board of directors

Subject: Acknowledging the Company's 2022 Earnings Distribution.

Description: The Company's 2022 distributable earnings is NT\$793,308,394, and cash dividends of NT\$0.15 per share and stock dividends of NT\$0.75 per share is proposed to be distributed to shareholders. For details, please see the earnings distribution table (page 26 of this manual).

Resolutions:

## Discussions

1. (Proposed by the board of directors)

**Subject:** A proposal for partial amendment to the Company’s Articles of Incorporation for resolution.

**Description:** According to the announcement for the amendment to Article 172-2 of the “Company Act” on December 29 2021, that “it may be explicitly stated in the Articles of Incorporation that Shareholders’ Meetings may be convened through videoconferencing or any other means as announced by the competent authority at the central level.” In supporting the competent authority in the advocacy of holding Shareholders’ Meetings through videoconferencing and in meeting the need of the digital era and for the convenience of the shareholders in participating in Shareholders’ Meetings, Article 9 was added to the Articles of Incorporation of the Company. The content of the provisions of the Articles of Incorporation before and after the amendment is shown in the Appendix (for details, refer to p. 27 of this Handbook.)

**Resolutions:**

2. (Proposed by the board of directors)

Subject: Report about partial amendment to the Company's "Shareholders' Meeting Procedure Rules." Please resolve the decision as appropriate.

Description: an amendment was made in accordance with the "Sample Template of XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings" promulgated by the Taipei Exchange under Letter Zheng-Gui-Jian-Zi No.11100543772 dated March 11, 2022. The content of the provisions before and after amendment is shown in the Appendix (for details, refer to pp.28-44).

Resolutions:



3. (Proposed by the board of directors)

Subject: Proposing to have new shares issued through capitalization of earnings in 2022, please submitted to be resolved.

Description: (1) The Company for business needs plans to appropriate stock dividends of NTD264,471,180 from the 2022 distributable earnings with 26,447,118 shares issued at the ratio of 75 shares distributed per thousand shares at NTD10 par.

(2) The earnings distribution is calculated in accordance with the shareholders and their respective shareholding ratio in the register of shareholders. Fractional share distribution is to be consolidated by shareholders and registered with the Company's Stock Department for stock consolidation within five days from the record date. Fractional share that is not consolidated or remains a fractional share after consolidation should be paid with an equivalent cash amount (rounded up to the dollar). Fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board. In the event of the changes in the Company's capital and issuance of new shares resulting in impacts to number of shares outstanding and distribution ratio, the shareholders are to authorize the chairman to make any necessary adjustments.

(3) The capitalization of retained earnings into new shares is pending on the final approval of the General Meeting of Shareholders and the approval of the competent authority. Once approved, the General Meeting of Shareholders is requested to authorize the Board of Directors to set the dividend day.

(4) The terms and conditions of the capitalization of retained earnings into new shares may be subject to alteration at the request of the competent authority. The General Meeting of Shareholders is requested to authorize the Board of Directors with full power of attorney to make

such alteration as per the request of the competent authority.

- (5) The shareholder's rights and obligations for the new shares are the same as those of the existing shares.

Resolutions:

## **Election**

1. (Proposed by the board of directors)

Subject: Election of 7 Directors for the 15<sup>th</sup> term of the Board.

Description: (1) The 14<sup>th</sup> term of the Board of the Company is about to expire. An election of the Board of Directors for a new term should be held in this regular session of the Shareholders' Meeting under the Company Act and the Articles of Incorporation of the Company.

(2) In this election, 7 Directors should be elected to the seats (including 3 seats of Independent Directors) for the 15<sup>th</sup> term of the Board. These 3 Independent Directors shall be organized into the Audit Committee to replace the Supervisors and perform the function of the Supervisors. Each Independent Director has a tenure of 3 years from June 9 2023 to June 8 2026. The election should be held in accordance with the Regulations Governing the Election of Directors of the Company.

(3) Pursuant to Article 192-1 of the Company Act and Article 9 of the Articles of Incorporation of the Company, the election of Directors (including Independent Directors) of the Company shall be made under the candidate nomination system. The list of candidates for the election has been approved after review by the 14<sup>th</sup> term of the Board in its 17<sup>th</sup> session held on April 21 2023.

Election Results:

# Questions and Motions

# Appendices

## 2022 business report of Pan Asia Chemical Corporation

### I. Operation strategies

- (I) Focus on the core business, improve quality, strengthen customer service, and follow the trend of internationalization to increase the breadth and depth of our investees.
- (II) Improve operational performance, integrate resources, study value-added products and improve competitiveness in the market.
- (III) Cultivate business talents and technical teams, strengthen organizational operations, enhance labor–management harmony, and reinforce the core advantages of the Company’s sustainability.
- (IV) Strengthen the expansion of R&D software and hardware equipment and technology improvement.

### II. Overview of Implementation

- (I) The Company would try to firmly dominate the source of upstream raw material supply, help smooth out the production to assure stable supply and would further set a win-win strategy for mutual benefit and coexistence with downstream customers.
- (II) Our Company would, as well, exploit the competitiveness in the marketing channels, consolidate and develop domestic and overseas markets. At the same time, we shall closely coordinate with industry upgrades and customer needs to develop high value-added products, and OEM products to maximize our competitiveness in the entire industry.
- (III) In the vertical industry development, development in the esterification product market and spinning finish market, we shall put forth maximum possible efforts to maximize corporate revenue, and enhance the industrial technology level, goodwill image and business benefits.

### III. Business plan execution and achievement

In the year 2022, the Company’s operating income came to NT\$1,828,734, operating costs and expenses came to NT\$1,703,670 thousand, operating net profit came to NT\$125,064 thousand, non-operating income (expenditure) came to NT\$305,349 thousand, net profit before tax came to NT\$430,413 thousand, income tax expense came to NT\$28,316 thousand and net profit after tax for the current period came to NT\$402,097 thousand.

IV. Operating income and expenditure budget implementation situation  
 In the company's budget for the year 2022, the Company was not required to announce financial forecasts according to law.

V. Profitability analysis

Unit: thousand dollars

Items		2022	
Revenue and expenses	Operating revenue	1,828,734	
	Gross profit	268,106	
	Profit after tax	402,097	
Profitability analysis	Return on assets (%)	4.99	
	Return on shareholders' equity (%)	6.99	
	As a percentage of paid-up capital (%)	Operating profit	3.55
		Income before taxation	12.21
	Net profit rate (%)	21.99	
	Earnings per share (NTD)	1.14	

VI. Research and development

- (I) Development of POY/SDY spinning oil agent
- (II) Development of esterified nonionic surfactants
- (III) Development of anionic and cationic surfactants
- (IV) Development of nonionic surfactants for special products
- (C) Development of esterified products and surfactants for cosmetics and personal cleansing products
- (CI) Development of esterified products for a variety of purposes

Chairman: Kuei-Shiang Wang    Manager: Chieh-Yi Wang    Accounting Head: Wen Yu-Tao

## **Audit Committee' Review Report of Pan Asia Chemical Corporation**

The board of directors has submitted the Company's 2022 business and financial reports and profit distribution table have been audited and validated by the certified public accounts, Su-Huan Yu and Pan-Fa Wang, of Deloitte Taiwan. The reports are to be presented in accordance with Article 14-4 of the Securities and Exchange Act.

To:

The 2023 Annual General Shareholders' Meeting

Audit Committee  
Convener: Lung-Teng Chen

March 8, 2023



## Comparison Table of amendments to the Rules of Procedure for Meetings of Board of Director of Pan Asia Chemical Corporation

Clause	Provisions after amendment	Original clause	Reasons behind amendments
Article 3	<p>The Board of the Company shall convene once quarterly.</p> <p>The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting.</p> <p>Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.</p> <p>All details as stated in Paragraph 1 of Article XII under this Procedure shall be specified as a part of the cause of the convention and cannot be proposed as extemporary motions.</p>	<p>The Board of the Company shall convene once quarterly.</p> <p>The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting.</p> <p>Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.</p> <p>The matters in paragraph 1 of Article 12 of the Rules shall be listed in the reasons for the convening of the meeting unless there is a sudden emergency or justifiable reason, and shall not be put forward by an extraordinary motion.</p>	An amendment duly conducted in coordination with the requirements by the competent authority.
Article 12	<p>The following matters shall be submitted to the Company's Board of Directors for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's operating plan</li> <li>2. The annual financial statement and second quarter financial statement subject to verification by a certified public accountant(s).</li> <li>3. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. (hereinafter referred to as the "SEA").</li> <li>4. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of any equity-type securities.</li> <li>6. The appointment or dismissal of the Chairman if no position of Executive Directors has been established in the Board.</li> </ol>	<p>The following matters shall be submitted to the Company's Board of Directors for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's operating plan</li> <li>2. The annual financial statement and second quarter financial statement subject to verification by a certified public accountant(s).</li> <li>3. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. (hereinafter referred to as the "SEA").</li> <li>4. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of any equity-type securities.</li> <li>6. The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor.</li> <li>7. A donation to a related party or a</li> </ol>	An amendment duly conducted in coordination with the requirements by the competent authority.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>7. The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>9. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in paragraph 8 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers ; the term "significant donation to an unrelated party" refers to a donation amounting to at least NT\$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by the CPA.</p> <p>The alleged "within one year" in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board meeting is not subject to this requirement.</p> <p>For a foreign company's stock share without a par value or without a NTD10 par value, the criteria of "5% of paid-in capital" stated in Paragraph 2 in the preceding paragraph will be replaced with "2.5% of shareholders' equity."</p> <p>At least one of the independent directors shall attend the Board meeting in person; for the first item that should be</p>	<p>major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>8. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>9. If the recommendation of the Remuneration Committee on the remuneration for the Directors and Managers is not being accepted or subject to amendment, the resolution of the Board by a session attended by at least 2/3 of the Directors and a simple majority of the consent of the Directors in session is required and specified in the resolution if the level of remuneration approved by the Board is senior to the recommendation of the Remuneration Committee.</p> <p>The term "related party" in paragraph 7 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers ; the term "significant donation to an unrelated party" refers to a donation amounting to at least NT\$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by the CPA.</p> <p>The alleged "within one year" in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>presented to the Board meeting for resolution, all independent directors shall attend the Board meeting, and if an independent director is unable to attend in person, he/she shall appoint another independent director to attend as proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.</p>	<p>meeting is not subject to this requirement.  For a foreign company's stock share without a par value or without a NTD10 par value, the criteria of "5% of paid-in capital" stated in Paragraph 2 in the preceding paragraph will be replaced with "2.5% of shareholders' equity."  At least one of the independent directors shall attend the Board meeting in person; for the first item that should be presented to the Board meeting for resolution, all independent directors shall attend the Board meeting, and if an independent director is unable to attend in person, he/she shall appoint another independent director to attend as proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.</p>	
Article 18	<p>The convening of the Executive Directors of the Company shall be governed by Article 2, Paragraph 2 of Article 3, Article 4 to Article 6, Article 8 to Article 8 to Article 11 and Article 13 to Article 16 with the necessary changes made. The appointment or dismissal of the Chairman shall be governed by Paragraph 4 of Article 3 with the necessary changes made.</p>	<p>The convening of the Executive Directors of the Company shall be governed by Article 2, Paragraph 2 of Article 3, Article 4 to Article 6, Article 8 to Article 11 and Article 13 to Article 16 with the necessary changes made.</p>	<p>An amendment duly conducted in coordination with the requirements by the competent authority.</p>

# Certified public accountant Audit Report of Pan Asia Chemical Corporation

To Pan Asia Chemical Corporation:

## Audit opinions

We have audited the accompanying balance sheet of Pan Asia Chemical Corporation as of December 31, 2022 and 2021, and the related statement of income, statement of changes in shareholders equity, statement of cash flows, and Note of the financial statements (including major accounting policy) for the years then ended.

According to our certified public accountant opinions, the aforementioned financial statements have been prepared for all material aspects in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards Board (IASB), interpretation and interpretation public announcement promulgated by and validated under Regulations Governing the Preparation of Financial Reports by Securities Issuers and acknowledged by the Financial Supervisory Commission, adequate enough to fairly express the financial conditions of Pan Asia Chemical Corporation as of December 31, 2022 and 2021 and financial performance and cash flow status of Pan Asia Chemical Corporation during January 1–December 31, 2022 and 2021.

## The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the financial statements. We are independent of Pan Asia Chemical Corporation in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of Pan Asia Chemical Corporation, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the financial statements of Pan Asia Chemical Corporation in 2022. These matters were addressed in the content 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 those matters.

Key audit procedures of the financial statements of Pan Asia Chemical Corporation in 2022 included:

### Recognition of sales revenues of specific targets.

Pan Asia Chemical Corporation's primarily engages in such business as manufacturing and processing of various non-ionic surfactants, trading and import and export business, which could be divided into two parts: Ethylene oxide derivative products and esterified products. Under the Auditing Standards Bulletin prevalent in Taiwan, the revenue is recognized as having a risk of fraud. Accordingly, the sales revenues received from application sales targets are deemed an issue for key audit. On revenue recognition accounting policy and department revenue and operating result, please refer to Notes 4 and 34 of Notes to Financial Statements for more details.

Pursuant to the consideration of Pan Asia Chemical Corporation's industrial characteristics and primary operating conditions in recent years, we, the certified public accountant, perform the following procedures to respond to potential audit risks:

1. Looking into, evaluating and testing the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. We obtained the sales revenue details of the specific sales objects in the year 2022, and sample audited the original purchase orders, shipping orders, invoices and other related documents of the subject transactions, and further checked with the entered amounts to confirm the authenticity of the revenues.
3. Sampling inspection of the circumstances of sales returns and discounts and the collection after

the periods to confirm the reasonableness of revenue recognition.

### **Responsibilities of Management and Those in Charge with Governance of the Financial Statements**

The management is supposed to assume the responsibility to prepare and maintain financial statements that are rationally expressed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), explanation and explanatory announcement acknowledged and promulgated by the Financial Supervisory Commission with effort to maintain the necessary internal control system to assure that the financial statements are free of existence of fraudulent or erroneous material expression.

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

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of Pan Asia Chemical Corporation.

### **Auditor's 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, 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.

We conducted the audit in accordance with the Statement of Auditing Standards with professional judgment and suspicion. We also perform the following works:

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 risks, and obtain evidence that is sufficient and appropriate to provide a basis of 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 internal control effective in Pan Asia Chemical Corporation.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Pan Asia Chemical Corporation and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Pan Asia Chemical Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the statements, including related notes, whether the statements represent the underlying transactions and events in a matter that achieves fair presentation.

We communicate with those in charge of 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 in charge of 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 in charge of governance, we determine those matters that were of most significance in the audit of the financial statements of Pan Asia Chemical Corporation of 2022 and are therefore the key audit matters. We describe these matters in our auditor's 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 communications.

Deloitte & Touche

CPA: Su-Huan You

CPA: Owen-P Wang

Securities and Futures Commission Approval No.  
Tai-Tsai-Cheng (VI) No. 0920123784

Financial Supervisory Commission approval no.  
Jin-Guan-Zheng-Shen No. 1100356048

March 8, 2023

Pan Asia Chemical Corporation  
Balance Sheets  
December 31, 2022 and 2021

Unit: NTD thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents	\$ 542,644	7	\$ 516,151	6
1110	Financial assets at fair value through profit or loss- current	21,608	-	76,538	1
1150	Notes receivable	26,418	-	18,205	-
1170	Accounts receivable	126,796	2	176,317	2
1180	Accounts receivable - related parties	-	-	164	-
1200	Other receivables	12,901	-	7,792	-
1310	Inventory	232,387	3	217,599	3
1410	Prepayments	14,572	-	29,800	-
1470	Other current assets	16,112	-	14,637	-
11XX	Total current assets	<u>993,438</u>	<u>12</u>	<u>1,057,203</u>	<u>12</u>
	<b>Non-Current assets</b>				
1517	The financial assets measured for the fair values through other comprehensive income- non-current	2,783,985	33	3,196,871	36
1550	Investment under the equity method	3,828,619	45	3,565,269	41
1600	Property, plant and equipment-net	871,629	10	931,276	11
1755	Right-of-use assets	-	-	2,825	-
1780	Intangible assets – net	119	-	184	-
1840	Net deferred income tax assets	95	-	9,111	-
1900	Other assets	17	-	26,967	-
15XX	Total non-current assets	<u>7,484,464</u>	<u>88</u>	<u>7,732,503</u>	<u>88</u>
1XXX	Total assets	<u>\$ 8,477,902</u>	<u>100</u>	<u>\$ 8,789,706</u>	<u>100</u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2100	Short-term borrowings	\$ 1,485,000	18	\$ 1,010,000	12
2110	Short-term notes payable	399,178	5	450,000	5
2170	Accounts payable	36,512	-	46,093	1
2180	Accounts payable - related parties	255,727	3	125,853	1
2200	Other payables	61,821	1	57,408	1
2230	Current Tax Liability	16,933	-	5,438	-
2280	Lease liabilities – current	-	-	2,883	-
2320	Current portion of long-term liabilities	160,000	2	519,000	6
2399	Other current liabilities	10,587	-	29,235	-
21XX	Total of current liabilities	<u>2,425,758</u>	<u>29</u>	<u>2,245,910</u>	<u>26</u>
	<b>Non-current liabilities</b>				
2540	Long-term borrowings	319,000	4	653,000	7
2570	Deferred tax liabilities	40,896	-	40,896	1
2640	Net determined benefit liability	11,256	-	22,161	-
2645	Deposits received	2,000	-	2,000	-
25XX	Total non-current liability	<u>373,152</u>	<u>4</u>	<u>718,057</u>	<u>8</u>
2XXX	Total liabilities	<u>2,798,910</u>	<u>33</u>	<u>2,963,967</u>	<u>34</u>
	<b>Equity</b>				
3110	Common stock capital	3,526,283	42	3,280,263	37
3200	Capital surplus	872,725	10	872,725	10
	Retained earnings				
3310	Legal reserve	281,991	3	247,932	3
3320	Special reserve	123,164	2	123,164	1
3350	Undistributed earnings	834,095	10	755,513	9
	Other equity				
3410	Exchange differences from the translation of financial statements of foreign operations	( 2,128 )	-	( 4,730 )	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	42,862	-	550,872	6
3XXX	Total equity	<u>5,678,992</u>	<u>67</u>	<u>5,825,739</u>	<u>66</u>
	<b>Total Liabilities and Equity</b>	<u>\$ 8,477,902</u>	<u>100</u>	<u>\$ 8,789,706</u>	<u>100</u>

Chairman: Kuei-Shiang Wang

Manager: Chieh-Yi Wang

Accounting Head: Wen Yu-Tao

Pan Asia Chemical Corporation  
Statement of comprehensive income  
January 1 to December 31, 2021 and 2022

Unit: NTD thousands, except Earnings Per Share (NTD)

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue	\$ 1,828,734	100	\$ 1,727,577	100
5000	Operating cost	<u>1,560,628</u>	<u>85</u>	<u>1,533,986</u>	<u>89</u>
5900	Gross profit	<u>268,106</u>	<u>15</u>	<u>193,591</u>	<u>11</u>
	Operating expenses				
6100	Marketing expenses	86,130	5	70,949	4
6200	Administration expenses	54,996	3	52,736	3
6450	Expected credit impairment (reversal benefit) loss	<u>1,916</u>	<u>-</u>	( <u>240</u> )	<u>-</u>
6000	Total operating expenses	<u>143,042</u>	<u>8</u>	<u>123,445</u>	<u>7</u>
6900	Net Operating Income	<u>125,064</u>	<u>7</u>	<u>70,146</u>	<u>4</u>
	Non-operating revenues and expenses				
7050	Financial costs	( 35,378 )	( 2 )	( 31,814 )	( 2 )
7060	Shareholding in the affiliated companies and joint ventures under the equity method	297,355	16	267,035	15
7100	Interest revenue	9,043	1	7,912	1
7130	Dividend income	1,296	-	26,082	2
7010	Other income	1,111	-	4,738	-
7210	Gains on disposal of property, plant and equipment	699	-	-	-
7235	Gain (loss) of financial assets measured at fair value through profit and loss	( 10,081 )	-	14,466	1
7590	Miscellaneous income	( 86 )	-	( 110 )	-
7610	Losses from disposal of property or equipment	-	-	( 358 )	-
7630	Foreign exchange gain (loss) – net	<u>41,390</u>	<u>2</u>	( <u>10,679</u> )	( <u>1</u> )
7000	Total non-operating revenues and expenses	<u>305,349</u>	<u>17</u>	<u>277,272</u>	<u>16</u>
7900	Income before tax from continuing operations	\$ 430,413	24	\$ 347,418	20
7950	Income tax expenses	( <u>28,316</u> )	( <u>2</u> )	( <u>4,440</u> )	<u>-</u>
8200	Net income	<u>402,097</u>	<u>22</u>	<u>342,978</u>	<u>20</u>
	Other comprehensive profit or loss				
8310	The items that are not re-classified as profit or loss				
8311	Reevaluation of determined benefit plan	10,014	-	( 2,294 )	-
8316	Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	( 426,604 )	( 23 )	( 99,541 )	( 6 )
8320	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss	( 3,120 )	-	17,418	1
8349	Incomes tax related to titles not subject to reclassification	( 2,002 )	-	459	-
8360	Items that may be re-classified subsequently under profit or loss				
8367	Unrealized valuation gain and loss of debt instruments investments in financial assets measured at FVTOCI	1,000	-	( 4,052 )	-
8370	The share of other comprehensive investment in affiliated enterprise(s) and joint venture recognized using the equity method-items likely to be reclassified to profits and losses	( <u>74,734</u> )	( <u>4</u> )	( <u>12,186</u> )	( <u>1</u> )
8300	Current period other comprehensive income (post-tax profit or loss)	( <u>495,446</u> )	( <u>27</u> )	( <u>100,196</u> )	( <u>6</u> )
8500	Current period other comprehensive income (Gross)	( <u>\$ 93,349</u> )	( <u>5</u> )	<u>\$ 242,782</u>	<u>14</u>
	Earnings per share				
	Business units in continuing operation				
9710	Basic	<u>\$ 1.14</u>		<u>\$ 0.97</u>	
9810	Diluted	<u>\$ 1.14</u>		<u>\$ 0.97</u>	

Chairman: Kuei-Shiang Wang

Manager: Chieh-Yi Wang

Accounting Head: Wen Yu-Tao



Pan Asia Chemical Corporation  
Statement of changes in equity  
January 1 to December 31, 2021 and 2022

Unit: NTD thousand

Code		Capital stock		Retained earnings			Other equity		Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	
A1	Balance as of January 1, 2021	\$ 3,023,284	\$ 872,725	\$ 218,640	\$ 168,568	\$ 701,144	(\$ 6,739)	\$ 656,122	\$ 5,633,744
	The 2020 appropriation and distribution of earnings								
B1	Legal reserve appropriated	-	-	29,292	-	( 29,292 )	-	-	-
B5	Cash dividends	-	-	-	-	( 45,349 )	-	-	( 45,349 )
B9	Stock dividends	256,979	-	-	-	( 256,979 )	-	-	-
B17	Reversal of special reserve	-	-	-	( 45,404 )	45,404	-	-	-
D1	2021 Profit	-	-	-	-	342,978	-	-	342,978
D3	Other comprehensive profit and loss after tax in 2021	-	-	-	-	2,851	2,009	( 105,056 )	( 100,196 )
D5	Total comprehensive profit and loss in 2021	-	-	-	-	345,829	2,009	( 105,056 )	242,782
C7	Change of associated enterprises accounted for under the equity method and equity joint venture	-	-	-	-	( 5,321 )	-	( 117 )	( 5,438 )
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income:	-	-	-	-	77	-	( 77 )	-
Z1	Balance as of December 31, 2021	3,280,263	872,725	247,932	123,164	755,513	( 4,730 )	550,872	5,825,739
	The 2022 appropriation and distribution of earnings								
B1	Legal reserve appropriated	-	-	34,059	-	( 34,059 )	-	-	-
B5	Cash dividends	-	-	-	-	( 49,204 )	-	-	( 49,204 )
B9	Stock dividends	246,020	-	-	-	( 246,020 )	-	-	-
D1	2022 Profit	-	-	-	-	402,097	-	-	402,097
D3	Other comprehensive profit and loss after tax in 2022	-	-	-	-	11,028	2,602	( 509,076 )	( 495,446 )
D5	Total comprehensive profit and loss in 2022	-	-	-	-	413,125	2,602	( 509,076 )	( 93,349 )
C7	Change of associated enterprises accounted for under the equity method and equity joint venture	-	-	-	-	( 5,260 )	-	1,066	( 4,194 )
Z1	Balance as of December 31, 2022	\$ 3,526,283	\$ 872,725	\$ 281,991	\$ 123,164	\$ 834,095	(\$ 2,128)	\$ 42,862	\$ 5,678,992

Chairman: Kuei-Shiang Wang

Manager: Chieh-Yi Wang

Accounting Head: Wen Yu-Tao

Pan Asia Chemical Corporation  
Statement of Cash Flows  
January 1 to December 31, 2021 and 2022

Unit: NTD thousand

Code		2022	2021
	Cash flow from operating activities		
A10000	Current year net profit before taxation	\$ 430,413	\$ 347,418
A20010	Profits and loss		
A20100	Depreciation expenses	68,184	74,034
A20200	Amortization expenses	65	66
A20300	Expected credit impairment (reversal benefit) loss	1,916	( 240 )
A20400	Net gain (loss) of financial assets measured at fair value through profit and loss	10,081	( 14,466 )
A20900	Financial costs	35,378	31,814
A21200	Interest revenue	( 9,043 )	( 7,912 )
A21300	Dividend income	( 1,296 )	( 26,082 )
A22300	Shareholding in profit or loss of affiliated company and joint ventures under the equity method	( 297,355 )	( 267,035 )
A22500	Loss (gain) on disposal and scrapping of property, plant and equipment	( 699 )	358
A23100	Gain on disposal of investment	( 860 )	-
A23200	Losses from disposal of investment accounted for using equity method	870	15
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	34,447	20,793
A31200	Inventory	( 14,788 )	( 101,759 )
A31230	Prepayments	15,228	( 12,609 )
A31240	Other current assets	1	( 12 )
A32150	Payables	124,533	49,580
A32230	Other current liabilities	( 18,648 )	8,734
A32240	Net determined benefit liability	( 891 )	( 859 )
A33000	Cash generated from operating activities	377,536	101,838
A33100	Interest received	9,043	7,912
A33200	Dividends received	64,611	82,303
A33300	Interest payment	( 35,205 )	( 31,821 )
A33500	Income tax payment	( 9,807 )	( 1,591 )
AAAA	Net cash inflow from operating activities	<u>406,178</u>	<u>158,641</u>
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	( \$ 12,718 )	( \$ 836 )
B00020	Disposal of financial assets at fair value through other comprehensive profit or loss	-	916
B00200	Disposal of financial assets at fair value through profit and loss	45,709	-
B01800	Acquisition of investment under the equity method	( 122,939 )	( 94,369 )
B02400	Capital returned due to capital reduction by investee using the equity method	10,711	-
B02700	Purchase of property, plant, and equipment	( 7,972 )	( 11,781 )
B02800	Disposal of property, plant and equipment	2,959	-
B03700	Increase in refundable deposits	-	( 29 )
B03800	Decrease in refundable deposit	26,950	-
B04500	Acquisition of intangible assets	-	( 195 )
B06500	Decrease (increase) in other current assets	( 1,476 )	374
BBBB	Net cash outflow from investing activities	<u>( 58,776 )</u>	<u>( 105,920 )</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	475,000	30,000
C00500	Increase (decrease) in short-term notes payable	( 50,822 )	50,000
C01600	Proceeds from long-term loan	230,000	50,000
C01700	Re-payments of long-term borrowings	( 923,000 )	( 248,000 )
C04020	Repayment of rental principal	( 2,883 )	( 5,710 )
C04500	Cash dividend released	( 49,204 )	( 45,349 )
CCCC	Net cash outflow from financing activities	<u>( 320,909 )</u>	<u>( 169,059 )</u>
EEEE	Amounts of increase (decrease) in cash & cash equivalents	26,493	( 116,338 )
E00100	Balance of cash and cash equivalents, beginning of period	<u>516,151</u>	<u>632,489</u>
E00200	Balance of cash and cash equivalent, end of period	<u>\$ 542,644</u>	<u>\$ 516,151</u>

Chairman: Kuei-Shiang Wang

Manager: Chieh-Yi Wang

Accounting Head: Wen Yu-Tao

**Pan Asia Chemical Corporation**  
**Statement of Retained Earnings**  
**2022**

Unit: NTD

Items	Amount	Amount
<b>Opening undistributed earnings</b>		<b>426,230,277</b>
Effect of retroactive applicability and recompilation		-
<b>Adjusted unappropriated earnings - beginning</b>		<b>426,230,277</b>
Disposal to transfer of equity investment measured at fair value through other comprehensive gains and losses to retained earnings		0
Retained earnings adjusted due to investments accounted for using equity method		(2,243,407)
The defined benefit plans re-measured amount is recognized in the "retained earnings" account		8,011,409
<b>Unappropriated adjusted earnings</b>		<b>431,998,279</b>
Add: Net income		<b>402,096,572</b>
Less: Legal reserve appropriated (10%)		(40,786,457)
<b>Current distributable earnings</b>		<b>793,308,394</b>
Stock dividend (NT\$0.75 per share)	(264,471,180)	
Cash dividend (NT\$0.15 per share)	(52,894,238)	(317,365,418)
<b>Closing undistributed earnings</b>		<b>475,942,976</b>

[Remark]

1. Appropriation for (reversal of) special reserve
  - (1) As per the FSC's Letter Jin-Guan-Zheng-Yi-Zi No. 0950000507 dated January 27, 2006, TWSE/TPEx listed companies shall set aside a special reserve from the net amount of a deduction to shareholders' equity recognized.
  - (2) With the Company's unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss recorded the deduction of shareholders' equity recognized under shareholders' equity as of December 31, 2022, plus other items of net amount of deductions to shareholders' equity, which can be included, the net amount is NT\$40,735,136, so there is no need to set aside a special reserve.
2. As per the Letter Jing-Shang-Zi No. 10802432410 dated January 9, 2020, regarding the application of the basis for setting aside a legal reserve, the net profit after tax for the current period shall be the basis for the legal reserve. The basis for setting aside a legal reserve is based on the net profit after tax for the current period plus the amount other than the net profit after tax for the current period included in the undistributed earnings of the current year.
3. The net profit for the current period is NT\$402,096,572, and the distributable earnings at the end of the period is NT\$793,308,394. It is proposed to distribute stock dividends of NT\$0.75 and cash dividends of NT\$0.15.
4. The number of shares issued by the Company is 352,628,253 shares. After deducting 0 shares as treasury shares, the number of outstanding shares comes to 352,628,253 shares.

Chairman: Kuei-Shiang Wang

Manager: Chieh-Yi Wang

Accounting Head: Wen Yu-Tao

## The Comparison Table of the Amended “Articles of Incorporation” of Pan Asia Chemical Corporation

Clause	Provisions after amendment	Original clause	Description
Article 9	<p>The Company’s shareholders’ meeting is classified into two categories, i.e. shareholders’ regular meeting and special shareholders’ meeting. A shareholders’ meeting shall be duly convened in accordance with the Company Act and the Company’s Shareholders’ Meeting Procedure Rules.</p> <p>During the convention of the shareholders’ meeting, video conference or other methods announced by the central competent authority may be adopted.</p>	<p>The Company’s shareholders’ meeting is classified into two categories, i.e. shareholders’ regular meeting and special shareholders’ meeting. A shareholders’ meeting shall be duly convened in accordance with the Company Act and the Company’s Shareholders’ Meeting Procedure Rules.</p>	<p>In alignment with the policy for the advocacy of the action of the shareholders.</p>
Article 21	<p>The Company’s Articles of Incorporation was established on March 3, 1982... the 24th amendment was completed on June 16, 2022; the 25th amendment was completed on June 9, 2023.</p>	<p>The Company’s Articles of Incorporation was established on March 3, 1982... the 24th amendment was completed on June 16, 2022;</p>	<p>The amendment date is added in alignment with the Articles of Incorporation.</p>

## Comparison Table of amendments to the Shareholders' Meeting Procedure Rules, Pan Asia Chemical Corporation

Clause	Provisions after amendment	Original clause	Reasons behind amendments
<p>Article 3</p>	<p>Unless otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.</p> <p>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.</p> <p>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). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, displayed at the Company. This Corporate 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:</p> <ol style="list-style-type: none"> <li>1. For physical shareholders meetings, to be distributed on-site at the meeting.</li> <li>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting</li> </ol>	<p>Unless otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.</p> <p>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). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, displayed at the Company and distributed to the shareholders attending the meeting.</p> <p>(Omitted hereinafter)</p>	<p>To assure the shareholders of the change in the mode of convention for the Shareholders' Meeting requiring the approval of the Board and the time of sending meeting materials if the Shareholders' Meeting is to convene via videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>platform.</p> <p>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</p> <p>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.</p> <p>(Omitted hereinafter)</p>		
Article 4	<p>Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend each session of the Shareholders Assembly by specifying the scope of authorization.</p> <p>It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.</p> <p>After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.</p> <p>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast</p>	<p>Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend each session of the Shareholders Assembly by specifying the scope of authorization.</p> <p>It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.</p> <p>After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.</p>	<p>Addition of Paragraph 4 in line with the addition of videoconferencing for the convening of the Shareholders' Meeting.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	at the meeting by the proxy shall prevail.		
Article 5	<p>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.</p> <p>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</p>	<p>The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.</p>	<p>Addition of Paragraph 2 in line with the addition of videoconferencing for the convening of the Shareholders' Meeting.</p>
Article 6	<p>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, or 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 should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.</p>	<p>The Company shall specify in the meeting notice the time for shareholder sign-in, the sign-in location and other matters. The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it.</p> <p>The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination. The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.</p> <p>The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the</p>	<p>Amendment to Paragraph 2, addition of Paragraph 7 and Paragraph 8 in line with the convening of the Shareholders' Meeting via videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.</p> <p>The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.</p> <p>Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.</p> <p>When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.</p> <p>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.</p> <p>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, 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.</p>	<p>election of directors, if any.</p> <p>Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.</p> <p>When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.</p>	
Article 6-1	<p>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</p> <p>1. How shareholders attend the</p>	(New addition)	Addition in line with the convening of the Shareholders' Meeting via



Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>virtual meeting and exercise their rights.</p> <p>2. 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:</p> <p>A. 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.</p> <p>B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</p> <p>C. 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</p>		<p>videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. 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.</p>		
Article 8	<p>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.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least one year.</p> <p>However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.</p> <p>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.</p> <p>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of</p>	<p>The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year.</p> <p>However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.</p>	<p>It is explicitly stated that the Company shall keep track of the entire proceedings of the Shareholders' Meeting by continued voice recording and videotaping including the convening via the mode of videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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.</p> <p>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</p>		
Article 9	<p>The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. 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.</p> <p>The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. 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.</p> <p>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</p>	<p>The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.</p> <p>The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. 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 shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairperson may announce to have the meeting aborted.</p> <p>If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the</p>	<p>It is explicitly stated that the total quantity of shares represented by the shareholders in session shall also include the quantity of shares represented by shareholders participating in the videoconferencing.</p> <p>In case the Shareholders' Meeting via videoconferencing is aborted, the Company shall make an announcement and provisional resolution and call for a new round of the Shareholders' Meeting.</p> <p>Shareholders who elect to participate shall register again.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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. If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairperson may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.</p>	<p>pseudo-resolution with another meeting of shareholders to be convened within one month. If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairperson may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.</p>	
Article 11	<p>Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting Chairperson. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail. Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairperson. However, the Chairperson may have the speaking shareholders who violate the rules</p>	<p>Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting Chairperson. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail. Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairperson. However, the Chairperson may have the speaking shareholders who violate the rules or speak beyond the</p>	<p>The addition of the means, procedures and restrictions for shareholders electing to participate in the Shareholders' Meeting held via videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>or speak beyond the scope of those issues silenced.</p> <p>Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.</p> <p>If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.</p> <p>The Chairman may reply to the speaking shareholders personally or by the designated personnel.</p> <p>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.</p>	<p>scope of those issues silenced.</p> <p>Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.</p> <p>If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.</p> <p>The Chairman may reply to the speaking shareholders personally or by the designated personnel.</p>	
Article 13	<p>Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.</p> <p>When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic</p>	<p>Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.</p> <p>When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be</p>	<p>Amendment and addition to related operating procedures in line with the addition of videoconferencing for Shareholders' Meetings.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.</p> <p>For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.</p> <p>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. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.</p> <p>For the resolution of proposals,</p>	<p>specified in the shareholders' meeting notice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal. For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.</p> <p>Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intention of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.</p> <p>For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the Chairperson's consulting the attending shareholders without</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting. When there is an amendment or alternative for the same motion, the Chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution. Chairperson is to appoint the scrutineers and counting officers who must be shareholders. The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record. 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</p>	<p>dissent is deemed as passed and with the same effect as voting. When there is an amendment or alternative for the same motion, the Chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution. Chairperson is to appoint the scrutineers and counting officers who must be shareholders. The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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.</p> <p>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.</p>		
Article 15	<p>Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the Chairperson of the meeting and distributed to each shareholder within 20 days from the meeting. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.</p> <p>The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.</p> <p>The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be retained for the duration of the existence of the Company.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the</p>	<p>Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the Chairperson of the meeting and distributed to each shareholder within 20 days from the meeting. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.</p> <p>The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.</p> <p>The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be retained for the duration of the existence of the Company.</p>	Amendment and addition to related operating procedures in line with the addition of videoconferencing for Shareholders' Meetings.



Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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.</p> <p>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</p>		
Article 16	<p>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</p>	<p>The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date. For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to the MOPS.</p>	<p>The Company shall disclose explicitly the venue of the Shareholders' Meeting. For Shareholders' Meetings convened via videoconferencing, upload to the Shareholders' Meeting videoconference platform.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</p> <p>For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to the MOPS.</p>		
Article 19	<p>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.</p>	(New addition)	<p>Addition in line with the convening of the Shareholders' Meeting via videoconferencing.</p>
Article 20	<p>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.</p>	(New addition)	<p>Addition in line with the convening of the Shareholders' Meeting via videoconferencing.</p>
Article 21	<p>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>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</p>	(New addition)	<p>Addition in line with the convening of the Shareholders' Meeting via videoconferencing.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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.</p> <p>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.</p> <p>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</p> <p>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph,</p>		

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>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.</p> <p>Under the circumstances where a meeting should 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.</p> <p>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.</p> <p>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, the Company shall handle the matter based on the date of the shareholders meeting that is</p>		

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	postponed or resumed under the second paragraph.		
Article 22	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.	(New addition)	Addition in line with the convening of the Shareholders' Meeting via videoconferencing.
Article 23	These rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions.	These rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions.	Article 19 was changed into Article 23 with the content remaining intact.

## List of candidates in the election of Directors for the 15<sup>th</sup> term of the Board of Pan Asia Chemical Corporation.

Title	Name of candidate or representative of juristic person candidate	Education	Major experiences	Quantity of Shares
Director	Representative of Chung Chien Investment Co., Ltd.: Kuei-Shiang Wang	Department of Finance at Boston University and Department of Finance at New York University.	Chairman of the Company and China Man-Made Fiber Corporation; vice chairman of Taichung Commercial Bank; chairman of Reliance Securities Co. Ltd.	18,068,906
Director	Sheng Jen Knitted Textiles Co., Ltd. Representative: Kuei-Fong Wang	MBA of NYU	Chairman of Taichung Commercial Bank; director of the Company and China Man-Made Fiber Corporation; VP, Corporate Financing Dept., BNP Paribas Hong Kong	21,867,744
Director	Representative of Chung Chien Investment Co., Ltd.: Chieh-Yi Wang	Department of Business Administration, Fu Jen Catholic University	The Company and China Man-Made Fiber Corporation Director / President	18,068,906
Director	Sheng Jen Knitted Textiles Co., Ltd. Representative: Hung-Yang Wu	Department of Agricultural Machinery Engineering at National Chung Hsing University	Director of the Company and Nan Chung Petrochemical Corporation Director and Assistant Vice President of the general affairs department of China Man-Made Fiber Corporation	21,867,744
Independent director	Lung-Teng Chen	Master of Graduate School of Finance, Tamkang University.	Independent Director of the Company Assistant President of Taiwan Cooperative Financial Holding Co., Ltd.; assistant president of Cosmos Bank, Taiwan; adjunct lecturer at Tamkang University.	0
Independent director	Kuo-Fu Hsiao	Dept. of Economics, Chinese Culture University	Independent Director of the Company Director General of the Secretariat Department, Central Bank.	0
Independent director	Kuo-Ming Chang	Dept. of Cooperative Economics; National Chung Hsing University.	Independent Director of the Company Manager of Taichung Commercial Bank Manager of Cosmos Bank	0

## The statement of director's shareholding

- I. All directors minimum shareholding and the shareholdings listed in the registry of shareholders:

Title	Shareholdings	Shareholdings registered in the registry of shareholders	Remark
Director	17,631,413	39,936,650	

Note: Ex-transfer date on April 11, 2023

- II. All Directors shareholding list:

Title	Name	Quantity of Shares	Ratio of Shareholding
Chairman	Chung Chien Investment Co., Ltd. Representative: Kuei-Shiang Wang	18,068,906	5.12%
Director	Sheng Jen Knitted Textiles Co., Ltd. Representative: Kuei-Fong Wang	21,867,744	6.20%
Independent director	Lung-Teng Chen	0	0
Independent director	Kuo-Fu Hsiao	0	0
Independent director	Kuo-Ming Chang	0	0
Director	Chung Chien Investment Co., Ltd. Representative: Chieh-Yi Wang	18,068,906	5.12%
Director	Sheng Jen Knitted Textiles Co., Ltd. Representative: Hung-Yang Wu	21,867,744	6.20%

## Articles of Incorporation of Pan Asia Chemical Corporation

### Chapter 1 General rules

Article 1: The Company is organized as Pan Asia Chemical Corporation in accordance with the provisions of the Company Act.

Article 2: The businesses operation of the company is as follows:

1. C801020 Petrochemical manufacturing.
2. C802090 Cleaning products manufacturing.
3. D101050 Steam and electricity paragenesis.
4. F212011 Gas station.
5. F212061 Gas station.
6. H701010 Residence and buildings lease construction and development
7. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 The Company is entitled to render mutual guarantees for the counterpart firms in the same industry; in addition, the reinvestment by the Company is free of the restriction within 40% of the Company's capital.

Article 4: The Company is headquartered in Taipei City and may set up its branches, factories in various venues at home and abroad as the actual requirements may justify.

Article 5: (Deleted)

### Chapter 2 Stock shares

Article 6: The total capital of the Company is NT\$4.8 billion divided into 0.48 billion shares, with a face value of NT\$10 per share. The board is authorized to issue the unissued shares in separate batches.

Whenever the Company intends to transfer shares to employees at a price below the average price of the actual shares repurchased, the Company shall, prior to the transfer, pose to the motion to the shareholders' meeting to be passed with a decision resolved by a two-thirds majority vote in the meeting which is attended by shareholders who represent one half majority of the total outstanding shares.

Whenever the Company intends to issue employee stock option certificates at a price below the Company's common share price closed on the date of issuance, the Company shall, prior to the issuance, pose the motion to the shareholders' meeting to be passed with a decision resolved by a two-thirds majority vote in the meeting which is attended by shareholders who represent one-half majority of the total outstanding shares.



Article 7: Where the Company issues new shares in accordance with the requirements set forth under the Company Act, the Company may issue in a means of disembodied (book entry) share certificates.

Article 8: The Company shall take charge of equity affairs exactly in accordance with the requirements promulgated by the competent authority.

#### Chapter 3 Shareholders' Meetings

Article 9: The Company's shareholders' meeting is classified into two categories, i.e. shareholders' regular meeting and special shareholders' meeting. A shareholders' meeting shall be duly convened in accordance with the Company Act and the Company's Shareholders' Meeting Procedure Rules.

Article 10: The proxy forms of the Company for shareholders to participate in a meeting shall be duly handled in accordance with the requirements promulgated by the competent authority.

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.

#### Chapter 4 Directors and supervisors

Article 11: The Company has five–seven directors, to be duly elected according to law from candidates with disposing capacity, with three-year tenure of office, entitled to be reelected.

Among the total number of director seats mentioned in the preceding paragraph, there shall be three independent directors. Starting from Fiscal Year 2023, the Company shall elect directors (including independent directors) by means of the candidates' nomination system. The shareholders shall duly elect among the director candidates enumerated in the candidate list exactly in accordance with Article 192-1 of the Company Act.

The Company shall, in accordance with the requirements set forth under Article 14-4 of Securities and Exchange Act, duly organize the Audit Committee through the entire independent directors.

Members of the Audit Committee, the exercise of powers, and other compliance matters should be handled in accordance with the relevant laws and regulations or the Company Corporate Charter (Articles of Incorporation). The organizational rules are to be prescribed by the Board separately.

Article 12: The aggregate total shares held by all directors of the Company shall not be below the percentage promulgated by the competent authority.

Article 13: The directors shall organize the board of directors. By attendance of two-thirds majority of directors and by one-half majority vote of the

attending directors, one chairman shall be duly elected from among the directors.

Article 13-1: The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting. Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.

Article 14: The chairman shall chair the shareholders' meeting, board of directors and board of managing directors meeting internally and shall represent the Company externally. Whenever the chairman is on leave or unavailable to perform duty for any reason, the substitute shall be duly handled in accordance with the Company Act.

The resolutions of the board meeting, unless otherwise required by the Company Act, shall be subject to the approval by more than half of the directors in attendance of the meeting of which more than half of the directors attend.

Directors may appoint other directors to vote for resolutions if they cannot attend the meeting in person.

Article 15: The Audit Committee is entitled to investigate the Company's performance in business and financial conditions, audit accounts and books and to request the board of directors to submit a report.

Article 16: All directors (including independent directors) are entitled to a monthly discretionary remuneration disregarding whether the Company operates at a profit. Where such remuneration is granted, the board of directors is authorized with the power to determine the amount based on the level of their participation in the Company's operations and the value of their contribution with reference to the usual payment levels of the counterpart firms in the same industry.

The Company's board may establish a compensation committee or other functional committees for the needs of business operations.

Chapter 5 Managerial officers and accounting

Article 17: The Company has one general manager and a certain number of vice general manager(s), assistant manager(s), managers and plant managers who shall be duly appointed and discharged by the chairman according to the Company Act. The managers' authority, unless otherwise specified by regulations, allows them to manage the Company's affairs and provide signature within the scope of authorization.

Article 18: The Company's fiscal year is starting from January 1 until December 31 of every calendar year. Upon closing of each fiscal year, the board of directors shall work out a variety of documents to be duly audited by the Audit Committee thirty (30) days prior to date scheduled for the shareholders' regular meeting before being

submitted to the shareholders' meeting for acknowledgement.

1. The business report;
2. Financial Statements;
3. The surplus earning distribution or loss off-setting proposals.

Article 19: From the profit earned by the Company in a fiscal year, if any, a sum within the range of 1%–5% shall be appropriated as remuneration to employees which shall be granted either in stocks or in cash as resolved by the board of directors. Within the amount of the aforementioned profit, a sum within 0.3% maximum may be resolved by the board of directors as the remuneration to directors and supervisors.

However, when the company still has accumulated losses, an amount equivalent to the loss should be reserved for making up the loss.

Article 19-1: With the final account settlement by the Company at end of a year, the sum to pay tax as necessary and make up loss, if any, shall be first withheld, then a sum 10% for legal reserve and the special reserve as required by the competent authority. For the final balance, if any, along with the unappropriated retained earnings of the preceding year, the board of directors shall propose the distribution percentage as the actual situations may justify. To be submitted to the shareholders' meeting for a resolution to distribute dividend and bonus to shareholders.

The special surplus reserve shall be converted into unappropriated retained earnings before the earnings may be distributed according to requirements.

Where the legal reserve is up to the Company's paid-in capital, no more legal reserve shall be amortized.

The Company is required to coordinate with the overall environment and industry growth characteristics and to take into account the Company's future capital needs and to meet the shareholders' demand for cash inflows. Where the Company grants dividend every year, the stock dividend shall not be higher than 95% of the aggregate total of cash dividend and stock dividend.

Chapter 6 Appendix

Article 20: Matters not specified in these Articles of Incorporation, if any, shall be duly handled in accordance with the Company Act, laws and ordinances concerned.

Article 21: These Articles of Incorporation were duly enacted on March 3, 1982.

The 1st amendment was made on June 1, 1982

The 2nd amendment was made on September 20, 1983

The 3rd amendment was made on June 29, 1984

The 4th amendment was made on March 31, 1986  
The 5th amendment was made on December 11, 1990  
The 6th amendment was made on December 27, 1990  
The 7th amendment was made on June 18, 1991  
The 8th amendment was made on June 18, 1994  
The 9th amendment was made on October 12, 1994  
The 10th amendment was made on June 23, 2000  
The 11th amendment was made on June 21, 2002  
The 12th amendment was made on June 25, 2004  
The 13th amendment was made on June 28, 2005  
The 14th amendment was made on November 15, 2005  
The 15th amendment was made on June 19, 2008.  
The 16th amendment was made on June 17, 2010.  
The 17th amendment was made on September 16, 2011.  
The 18th amendment was made on June 13, 2012  
The 19th amendment was made on June 19, 2013.  
The 20th amendment was made on June 9, 2015.  
The 21st amendment was made on June 8, 2016.  
The 22nd amendment was made on June 12, 2018.  
The 23rd amendment was made on June 2, 2020.  
The 24th amendment was made on June 16, 2022.

## **Rules of Procedure for Shareholders Meetings of Pan Asia Chemical Corporation**

The amendment was resolved in the shareholder's meeting on June 2, 2020

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" for establishing the Company's excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 Unless otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.
- 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). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, displayed at the Company and distributed to the shareholders attending the meeting.
- Such act(s) as to elect or discharge a director, amend the Articles of Incorporation, reduce capital, apply for discontinuity from public offering, from permit for director prohibition of business strife, turn earnings into capital increase, turn the reserve into capital increase, dissolve the Company, merger or demerger or any affairs set forth under all subparagraphs of Paragraph 1, Article 185 of the Company Act, affairs set forth under Article 26-1, Article 43-6 of Securities and Exchange Act, Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall have the major contents duly enumerated and explained in the convening agenda and shall not be proposed by means of an extemporaneous (unscheduled) motion.
- The reason for the convening of the shareholders' meeting is indicated as a full re-election of directors, and the date of assuming office is specified. After the re-election in the shareholders' meeting is completed, the date of assuming office shall not be changed via an extraordinary motion or other means at the same meeting.
- Shareholders holding more than 1% of the total issued shares may submit to the Company a proposal for a general shareholders' meeting and the number of proposals shall be limited to one. If the number of proposals submitted is more than one, such proposals shall not be included in the agenda. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172-1 Paragraph 4 of the Company Act excluded from meeting

discussions. A shareholder (s) is(are) entitled to submit a proposal to urge the Company to promote public interests or to fulfill corporate social responsibility (CSR). In procedures, such a proposal should be limited to one item in accordance with Article 172-1 of the Company Act. The item(s) in excess of one item in the proposal shall not be covered into the proposal.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, correspondence or electronic means, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend each session of the Shareholders Assembly by specifying the scope of authorization.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 5 The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.

Article 6 The Company shall specify in the meeting notice the time for shareholder sign-in, the sign-in location and other matters.

The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it.

The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination.

The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.

The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 7 The Chairman of the Board of Directors shall chair the shareholders' meeting when the Board of Directors convenes it. If the Chairman is on leave or unable to exercise powers, the meeting is to be chaired by the Vice Chairman. If there is no Vice Chairman appointed, the Vice Chairman is also on leave, or unable to exercise powers, the Chairman is to have one general director designated to exercise powers. If there is not a general director appointed, one director shall be designated to chair for the meeting. If the Chairman does not have a representative designated to exercise power, the representative is to be elected among the general directors or directors.

If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting Chairperson. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 9 The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. 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 shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairperson may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in

accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairperson may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and all relevant proposals (including motions and original proposal amendments) shall be voted. The meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without the resolution of the shareholders' meeting.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The Chairperson may not have the meeting adjourned at his discretion before the proposals (including motions) resolved in the two agendas referred to above. If the Chairperson has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the Chairperson with the majority votes of the attending shareholders to continuously chair the meeting.

The chairman shall give an opportunity for a full explanation and discussion of the motions and the amendments or extraordinary motions proposed by the shareholders. When the chairman thinks that the voting can be carried out, he may declare a stop to the discussion and start the voting, and arrange sufficient time for voting.

Article 11 Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting Chairperson.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairperson. However, the Chairperson may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The Chairman may reply to the speaking shareholders personally or by the designated personnel.

Article 12 Votes in shareholders' meetings shall be calculated based on the number of



shares.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 13 Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.

When this Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intention of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or alternative for the same motion, the Chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be

shareholders.

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

Article 14 At the moment while shareholders elect directors, the election shall be duly conducted in consonance with the relevant election rules enacted by the Company. The election outcome shall be announced on-the-spot, including the list of elected directors, voting powers attempt to promote corporate governance as won by them in the election; list of unsuccessful director candidates and the voting power obtained thereby.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15 Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the Chairperson of the meeting and distributed to each shareholder within 20 days from the meeting. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.

The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.

The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be retained for the duration of the existence of the Company.

Article 16 The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date.

For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the GreTai Securities Market, the Company shall, within the specified time, have the information uploaded to the MOPS.

Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The Chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the Chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The Chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairperson, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

- Article 18 The Chairperson may announce breaks during the meeting. In case of any event of force majeure, the Chairperson may rule to suspend the meeting and announce the time at which to continue the meeting depending on the situation. If the meeting place cannot be used continuously before the proposals (including motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting. The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.
- Article 19 These rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions.

## **Regulations Governing Director's Elections of Pan Asia Chemical Corporation**

The amendment was resolved in the shareholder's meeting on June 8, 2016

- Article 1 The election, re-election and by-election of the directors of the board shall be handled in accordance with these Procedures.
- Article 2 The Company adopts the cumulative single balloting system in the election of Directors. Holders of each share (unless the law specified otherwise) are entitled to the number of votes equivalent to the number of seats for the Directors or Supervisors to be elected. Shareholders may concentrate their votes on a particular candidate or distribute the votes to different candidates.
- Article 3 During the polling, the chairperson assigns a number of people to take the positions of monitoring the voting, calling out votes and recording votes.
- Article 4 The directors shall be elected from the candidates who have more weighted votes (calculated according to the voting rights) based on the specified seats. If two or more share the same amount of rights and exceed the number of seats available, they will be determined by lot, and those who are not in attendance will be drawn by the Chairman.
- Article 5 The voting ballots are prepared by the board, and the number of voting rights are stamped to the ballots in accordance with the attendance certificates.
- Article 6 If the elected person is a shareholder, the voter shall fill in the name and shareholder number of the elected in the ballot. If the nominee is not a shareholder, please fill in the name and personal ID number.
- Article 7 Ballots that are not made in accordance with Article 5 shall be nullified.
- Article 8 The elected becomes invalid in the event of any one of the conditions below:
1. The writing is unclear and indecipherable.
  2. A blank ballot is placed in the ballot box.
  3. The shareholder's account name and number of the candidate who is a shareholder differs from the Shareholder Registry, or, the name and ID Card number of the candidate who is not a shareholder is found with nonconformity.
  4. Name of the elected or the shareholder number (personal ID number) are not filled in.
  5. Two or more candidates were marked on the same ballot.
- Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation.
- Article 10 The board of directors shall issue notifications to the persons elected as directors.
- Article 11 Any matters not addressed in the Procedures shall be subject to the Company Act, the Articles of Incorporation and the relevant regulations.
- Article 12 These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders meeting.