

Stock Code: 4303



**Hsin-Li Chemical Industrial Corp.**

**2024 General Shareholders' Meeting  
Handbook**

**Time and Date: 9:00 a.m., May 27, 2024**

**Location: 18F.-7, No. 248, Section 2, Yonghua Road, Anping  
District, Tainan City 708008, Taiwan (R.O.C.) (Conference hall)**

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## **Procedures for the 2024 Annual General Shareholders' Meeting of Hsin-Li Chemical Industrial Corp.**

- I. Call the Meeting to Order
- II. Meeting Chair Remarks
- III. Reports
- IV. Adoption
- V. Discussion
- VI. Election
- VII. Other Motions
- VIII. Extempore Motions
- IX. Adjournment

# **Agenda of the 2024 Annual General Shareholders' Meeting of Hsin-Li Chemical Industrial Corp.**

Form of Shareholders' Meeting: Physical

**Time and Date: 9:00 a.m., May 27, 2024 (Monday)**

Location: 18F.-7, No. 248, Section 2, Yonghua Road, Anping District, Tainan City 708008, Taiwan (R.O.C.)(conference hall)

Meeting Procedure:

- I. Call the Meeting to Order
- II. Meeting Chair Remarks
- III. Reports
  - (I) 2023 Business Report
  - (II) Audit Committee' Review Report on the 2023 final accounting reports
  - (III) Report on distribution of 2023 profit-sharing remuneration for employees and directors
  - (IV) Other reports
- IV. Adoption
  - (I) 2023 Business Report and financial statements.
  - (II) 2023 earnings distribution proposal
- V. Discussion
  - (I) Amendments to the "Articles of Incorporation" of the Company
- VI. Election
  - (I) General re-election of the Company's Board of Directors of the 12th term.
- VII. Other Motions
  - (I) Proposal to remove the non-compete clause for new directors.
- VIII. Extempore Motions
- IX. Adjournment

## Reports

### No. 1

Brief: 2023 Business Report

Note: Please refer to page 7 for the Company's Business Report.

### No. 2

Brief: Audit Committee's Review Report on the 2023 final accounting reports

Note: Please refer to page 8 for the Audit Committee's Review Report.

### No. 3

Brief: Report on distribution of 2023 profit-sharing remuneration for employees and directors

Note:

1. In accordance with the provisions of Article 28 of the Company's Article of Incorporation, in order to motivate employees and the management team, after the accumulated losses are deducted from the Company's profit for the year, the Company shall provide not lower than 2%–5% of the balance of profit, if any, for employees' profit-sharing remuneration and no higher than 5% for directors' profit-sharing remuneration.
2. For 2023, the Company appropriated 2% of the balance of profit as profit-sharing remuneration for employees, amounting to NT\$2,150,625, and 2% as profit-sharing remuneration for directors, amounting to NT\$2,150,625, both of which shall be paid in cash.
3. The proposed amounts above did not differ from the originally posted expense amounts for profit-sharing remuneration for employees and profit-sharing remuneration for directors.

### No. 4

Brief: Other reports

Note: None.

## Adoption

### No. 1 (Proposed by the Board of Directors)

Brief: 2023 Business Report and financial statements are hereby submitted for adoption.

Note:

1. The Company's 2023 Business Report and financial statements have been approved by the Board of Directors and reviewed by the Audit Committee, by which a review report has been issued, while the financial statements have been audited by Hsu, Chen-Lung and Chen, Kuo-Tsung, CPAs at KPMG in Taiwan
2. Please refer to pages 7 and 10–16 of the 2023 Business Report and financial statements, which are hereby submitted for adoption.

Resolution:

### No. 2 (Proposed by the Board of Directors)

Brief: The 2023 Earnings Distribution Table is hereby submitted for adoption.

Note:

1. The Board of Directors of the Company resolved to distribute a cash dividend of \$1.36 per share for the Company's 2023 earnings distribution.
2. The cash dividend is calculated based on the distribution ratio up to NT\$1, and rounded off to NT\$1. The sum of the fractional amounts less than NT\$1 is included in the Company's other income.
3. If, prior to the dividend base date, the number of outstanding shares is affected by the Company's repurchase of shares or the transfer of treasury stock to employees, or the conversion of convertible bonds to shares, resulting in a change in the stockholders' dividend distribution ratio that requires a revision, the Chairperson of the Board of Directors is authorized to make any necessary adjustments.
4. For the distribution of the cash bonus, upon the approval of the general shareholders' meeting, the Chairperson of the Board of Directors is authorized to determine the ex-dividend date and distribution date.
5. Please refer to page 9 for the Earnings Distribution Table, which is hereby submitted for adoption.

Resolution:

## Discussion

No. 1 (Proposed by the Board of Directors)

Brief: Amendments to the “Articles of Incorporation” of the Company are hereby submitted for discussion.

Note:

1. Due to the changes such as addition to business activities, it is proposed to amend certain provisions of the “Articles of Incorporation.” For comparison of the current and amended provisions, please refer to pages 18–19.
2. Please approve.

Resolution:

## Election

No. 1 (Proposed by the Board of Directors)

Brief: General re-election of the Company’s Board of Directors of the 12th term, which is hereby proceeded for voting.

Note:

1. The term of office of the current directors of the Company will expire on July 7, 2024, and it is proposed to fully re-elect the directors at the general shareholders’ meeting in 2024 in accordance with the law. The Company shall have 7–11 directors in accordance with the Articles of Incorporation of the Company, and 7 directors (including 3 independent directors) will be elected for the next term, adopting the candidate nomination system.
2. The new directors will assume office upon election at the 2024 general shareholders’ meeting, and will serve for a term of three years from May 27, 2024 to May 26, 2027, and the current directors will be discharged upon the election at the general shareholders’ meeting.
3. The list of independent director candidates was approved by resolution of the Board of Directors on February 27, 2024. The information on their education backgrounds, experience, and number of shares held is as follows

Job title	Name of candidate	Education	Major experiences	Number of shares held
Director	Representative of Jing Hong Ltd.: Chang, Yu-Ming	Master of Business Administration, National Taiwan University	1. Chairperson and President of Sun Yad Construction Co., Ltd. 2. Chairperson of U-Best Innovative Technology Co., Ltd. 3. Chairperson of Hsin-Li Chemical Industrial Corp. 4. Chairperson of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. 5. Chairperson of Myson Century, Inc.	10,000
Director	Representative of Jing Hong Ltd.: Chao, Tien-Tsung	National Sinying Senior High School	1. Business Specialist of Chunghwa Telecom Co., Ltd. 2. Legal Representative of Corporate Director, Sun Yad Construction Co., Ltd.	10,000
Director	Representative of U-Best Innovative Technology Co., Ltd.: Huang, Nan-Hao	Feng Chia University	1. President of BOROMI OPTRONICS CORP. 2. Assistant VP of Optoelectronics Business Group, Sun Yad Construction Co., Ltd. 3. President and Director of U-Best Innovative Technology Co., Ltd.	10,180,219

Director	Representative of U-Best Innovative Technology Co., Ltd.: Cheng, Yu-Tang	Department of Industrial Management, University of Kang Ning	1. Project Associate Manager at President's Office of U-Best Innovative Technology Co., Ltd. 2. Special Assistant to the President of Boromi Optronics Corp. 3. Factory Manager of Kangwei Technology Co., Ltd. 4. Production Manager of PONTX POLYBLEND CO., LTD. (Wujiang) 5. Section Chief of HELIX TECHNOLOGY INC.	10,180,219
Independent Director	Hsu, Chi-Jeng	Department of Accounting, Tainan University of Technology	1. Assistant VP of Underwriting Department, Firstrade Securities Inc.	0
Independent Director	Huang, Ling-Tien	EMBA, National Yang Ming Chiao Tung University MBA, University of Leicester	1. Vice President of Human Resources and Administration Center, ProLogium Technology 2. Head of Human Resources Division, Win Semiconductors Corp.	0
Independent Director	Huang, Hsiu-Hui	EMBA of Fudan University	1. Former Director of a TWSE-listed company, now renamed as RUN LONG CONSTRUCTION CO., LTD. 2. Former Director of the TWSE-Listed company – SKB Group BHD (Malaysia) 3. Former Global Vice President of The Chinese Women's Business Association	0

4. This election is conducted based on the Company's Rules for Election of Directors. Please refer to page 28.

Election results:

## Other Motions

No. 1 (Proposed by the Board of Directors)

Brief: The proposal to remove the non-compete clause for new directors is hereby submitted for discussion.

Notes:

1. The Company intends to submit a proposal to the annual general shareholders' meeting for approval to remove the non-compete clause for new directors in accordance with Article 209 of the Company Act.
2. Please refer to page 17 for the list of directors and restrictions to be removed, which are hereby submitted for discussion.

Resolution:

## Extempore motions

## Adjournment

## Attachment 1

### Business Report of Hsin-Li Chemical Industrial Corp.

1. The business plan implementation results

The Company's 2023 operating revenue amounted to NT\$161,724 thousand, net income after tax was NT\$123,459 thousand, and earnings per share was NT\$1.83, with a 50.29% decrease in operating revenue and a 274.61% decrease in net operating income compared with 2022.

2. Budget implementation:

Not applicable as the Company did not publish financial forecast for 2023.

3. Analysis on financial income and expense and profitability:

(1) Financial income

Unit: NT\$ thousand

Item	2023	2022	Increase (decrease) in amount	Increase (decrease) (%)
Operating revenue	161,724	325,363	(163,639)	-50.29%
Operating costs	152,605	263,655	(111,050)	-42.12%
Net operating income	-30,121	17,250	(47,371)	-274.61%
Net income for the period	123,459	-41,198	164,657	399.67%

(2) Analysis of profitability

Item	2023	2022
Return on assets	9%	-3%
Return on equity	13%	-5%
Operating income as a percentage of paid-in capital	-4%	3%
Net income before tax as a percentage of paid-in capital	18%	-6%
Net profit margin	77%	-13%
Earnings per share (NTD)	1.83	-0.61

4. Research and development (R&D):

(1) New product development

- ① In addition to the existing products, develop water-based high solid foam products, in line with the environmental requirements of solvent-free process products with recycled base fabric, apply for international GRS certification, and actively develop PU composite products with PVB, in addition to improving the physical and chemical properties of products, and also increasing the texture variability, to provide customers with a wider range of choices, also focus on the development of water-based PU breathable film to cater to the miscellaneous applications for new customers.
- ② With the ban on free plastic bags, countries are advocating for reducing the use of disposable plastic products and developing new plasticizer-free, non-toxic, eco-friendly, and recyclable PVB products, which can be applied to furniture and handbags with international GRS certification.

(2) Improvement to R&D capability and product expansion

On the basis of our existing products, we strive to expand our market, strengthen the integration of upstream and downstream players, form alliances with businesses in the same industry, and accelerate the R&D progress, while continuing to invest in R&D to improve product functions and expanding the product markets with strategic alliances with other companies to enhance the Company's growth momentum.

Chairperson: Chang, Yu-Ming

President: Cheng, Yu-Tang

Accounting Officer: Chen, Chien-Hung



## **Attachment 2**

### **Hsin-Li Chemical Industrial Corp. Audit Committee's Review Report**

The Board of Directors prepared the 2023 Business Report, parent-company only financial statements, and the earnings distribution proposal, among which the parent-company only financial statements were audited by Hsu, Chen-Lung and Chen, Kuo-Tsung, CPAs at KPMG in Taiwan, who issued an independent auditors' report with an unqualified opinion. We have reviewed the above business report, financial statements, and earnings distribution proposal without identifying any inconsistency, so we have issued a review report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

The 2024 Annual General Shareholders' Meeting of Hsin-Li Chemical Industrial Corp.

Convener of the Audit Committee Hsu, Chi-Jeng

February 27, 2024

**Attachment 3****Hsin-Li Chemical Industrial Corp.**

Earnings distribution table

2023

Unit: NT\$

Item	Amount
Balance at the beginning of the period	(21,463,907)
Add: Change in remeasurement of defined benefit plans for the period	300,586
Add: Adjustment to retained earnings for disposal of equity instruments at fair value through other comprehensive income	327,140
Add: Net income after tax for the period	123,459,410
Distributable earnings	102,623,229
Less: Provision of legal reserve	(10,262,323)
Distribution:	
Shareholders' bonus – Cash (\$1.36/share)	-91,800,000
Shareholders' bonus – Stock	0
Undistributed earnings at the end of the period	560,906

Chairperson: Chang, Yu-Ming  
Managerial Officer: Cheng, Yu-Tang  
Accounting Officer: Chen, Chien-Hung

## Attachment 4

### Independent Auditors' Report

To the Board of Directors of Hsinli Chemical Industrial Corp.:

#### Audit opinion

Hsin-Li Chemical Industrial Corp.'s balance sheets as of December 31, 2023, and 2022, and comprehensive income statements, statements of changes in equity, statements of cash flows for the periods from January 1 to December 31, 2023, and 2022, along with the accompanying notes to the financial statements (including a summary of significant accounting policies) have been audited by our auditors.

In the opinion of our auditors, the individual financial statements referred to above have been prepared in all material respects in accordance with the Financial Reporting Standards for Issuers of Securities and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Bulletins as approved and issued by the Financial Supervisory Commission and are effective. They are sufficient to present the financial position of Hsin-Li Chemical Industrial Corp. as of December 31, 2023, and 2022, as well as the financial performance and cash flows for the periods from January 1 to December 31, 2023, and 2022, respectively.

#### Basis for audit opinion

We conducted our audits by appointment in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" paragraph of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

#### Key audit matters

Key audit matters refer to the most vital matters in our audit of the financial statements of the Company for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in our audit of the individual financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. The key audit matters we identified that should be communicated in the audit report are as follows:

##### Inventory valuation

Please refer to Note 4(7) to the financial statements for the accounting policy on current inventory valuation; Note 5 thereto for the accounting estimates and assumption uncertainties of current inventory valuation; Note 6(5) thereto for the details of current inventory valuation.

##### Details of key audit matters:

The inventory amount of Hsin-Li Chemical Industrial Corp. is measured at the lower of cost and net realizable value. Due to changes in market supply and demand and the potential for products to become obsolete or no longer meet market demand, the sales of related products may experience significant fluctuations, posing the risk that the cost of current inventory may exceed its net realizable value. Therefore, current inventory valuation is one of the important assessment matters when our auditors conduct the financial statement audit of Hsin-Li Chemical Industrial Corp.

Corresponding audit procedures:

The accountant's main audit procedures for the above-mentioned key audit matters include: understanding the evaluation policies adopted by the management to assess the reasonableness of the net realizable value of the inventories, and executing sampling procedures to check the accuracy of the net realizable value of the inventories; reviewing the inventory age table and implementing sampling procedures to verify its accuracy; examining the accuracy of management's past provisions for inventory allowances and comparing them with the provisions estimated for the current period to assess the appropriateness of the Company's valuation method and assumptions for the current period; and evaluating whether the Company's disclosure of inventory allowance losses is appropriate.

#### **Responsibilities of the management and the governing bodies for the financial statements**

The responsibilities of the management are to prepare the individual financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the individual financial statements are free from material misstatement arising from fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process of Hsin-Li Chemical Industrial Corp.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance on whether the individual financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the individual financial statements, they are considered material.

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

1. Identified and assessed the risks of material misstatement arising from fraud or error within the individual financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the individual financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the individual financial statements (including relevant notes), and whether the individual financial statements adequately present the relevant transactions and events.

6. Obtained sufficient and appropriate audit evidence concerning the financial information of investees using the equity method, to express an opinion on the individual financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Company's individual financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Ernst & Young, Taiwan

CPAs:

Competent Securities Authority  
Approval Document No.  
February 27, 2024

Hsu, Chen-Lung

Chen, Kuo-Tsung

Jin-Guan-Zheng-VI No. 0960069825  
(2000)-Tai-Cai-Zeng-(VI) No. 62474

## Unit: NT\$ thousand

		2023.12.31		2022.12.31				2023.12.31		2022.12.31	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (Note 6(1))	\$ 31,447	2	89,438	6						
1110	Current financial assets at fair value through profit or loss (Note 6(2))	297,594	19	152,321	11	2100					
1136	Financial assets at amortized cost - current (Note 6(1))	14,190	1	8,050	1	2110					
1150	Notes receivable, net (Note 6(3) and (19))	1,934	-	11,137	-	2120					
1170	Net accounts receivable (Note 6(3), (19) and 7)	22,369	2	37,389	3	2130					
1200	Other receivables (Note 6(4))	5,168	-	456	-	2170					
1220	Current income tax assets	431	-	-	-	2200					
130X	Inventories (Note 6(5))	28,660	2	40,576	3	2230					
1470	Other current assets	3,950	-	7,237	-	2280					
1476	Other financial assets - current (Notes 6(1) and 8)	800	-	800	-	2321					
	Total current assets	406,543	26	347,404	24	2322					
Non-current assets:											
1510	Non-current financial assets at fair value through profit or loss (Note 6(2))	352,833	23	341,191	24	2399					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	926	-	926	-	2500					
1600	Property, plant and equipment (Note 6(7), 8 and 9)	637,095	41	651,073	45	2530					
1755	Right-of-use assets (Note 6(8))	581	-	596	-	2540					
1760	Investment property, net (Note 6(9), 8 and 9)	149,192	10	73,544	5	2570					
1840	Deferred tax assets (Note 6(16))	633	-	1,426	-	2580					
1900	Other non-current assets (Note 6, (7), (9), and (15))	1,003	-	23,998	2	2645					
1920	Guarantee deposits paid	502	-	1,785	-	2670					
	Total non-current assets	1,142,765	74	1,094,539	76						
Total assets											
		\$ 1,549,308	100	1,441,943	100	3400					
Liabilities and Equity											
Current liabilities:											
	Short-term borrowings (Notes 6(10) and 8)	\$ 110,000	7	179,910	13						
	Short-term notes and bills payable (Note 6(10))	49,988	3	-	-						
	Current financial liabilities at fair value through profit or loss (Notes (2) and (11))	1,800	-	-	-						
	Contract liabilities - current (Note 6(19))	700	-	212	-						
	Notes payable and accounts payable (Note 7)	12,578	1	18,002	1						
	Other payables	19,051	1	39,313	3						
	Current tax liabilities	-	-	1,596	-						
	Lease liabilities - current (Note 6(13))	395	-	378	-						
	Bonds payable, current portion (Note (11))	292,626	19	-	-						
	Long-term borrowings-current portion (Note 6(12) and 8)	22,944	2	16,000	1						
	Other current liabilities	2,174	-	2,175	-						
	Total current liabilities	512,256	33	257,586	18						
Non-current liabilities:											
	Financial liabilities at fair value through profit or loss - non-current (Note 6(2) and (11))	-	-	3,390	-						
	Corporate bonds payable (Note 6(11))	-	-	287,491	20						
	Non-current portion of non-current borrowings (Note 6(12) and 8)	49,024	3	27,000	2						
	Deferred tax liabilities (Note 6(16))	31,915	2	31,448	3						
	Lease liabilities - non-current (Note 6(13))	199	-	223	-						
	Guarantee deposits received	2,575	-	2,572	-						
	Other non-current liabilities (Note 6(15))	-	-	2,980	-						
	Total non-current liabilities	83,713	5	355,104	25						
	Total liabilities	595,969	38	612,690	43						
Equity (Note 6(2), (11) and (17)):											
	Share capital	675,000	44	675,000	47						
	Capital surplus	9,252	1	9,252	-						
	Retained earnings:										
	Legal reserve	166,420	11	166,420	12						
	Unappropriated retained earnings (losses to be covered)	102,622	7	(21,464)	(1)						
		269,042	17	144,956	10						
	Other equity	45	-	45	-						
	Total equity	953,339	62	829,253	57						
Total liabilities and equity											
		\$ 1,549,308	100	1,441,943	100						

**(See Notes to Financial Statements)**

**Chairperson: Chang, Yu-Ming**

**Managerial Officer: Cheng, Yu-Tang**

**Accounting Officer: Chen, Chien-Hung**

**Hsin-Li Chemical Industrial Corp.**  
**Statements of Comprehensive Income**  
**For the Years Ended December 31, 2023 and 2022**

**Unit: NT\$ thousand**

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(19) and 7)	\$ 161,724	100	325,363	100
5000	Operating costs (Notes 6(5), (15), (20), and 7)	152,605	94	263,655	81
5900	Gross profit	9,119	6	61,708	19
	Operating expenses (Notes 6(3), (13), (15), (20) and 7) :				
6100	Marketing expenses	7,187	4	12,759	4
6200	Management fees	28,887	18	26,747	8
6300	Research and development expenses	3,166	2	5,345	2
6450	Gain on reversal of expected credit impairment losses	-	-	(393)	-
	Total operating expenses	39,240	24	44,458	14
	Net operating profit (loss)	(30,121)	(18)	17,250	5
	Non-operating income and expenses (Note 6(6), (11), (13) and (21)) :				
7100	Interest revenue	976	1	305	-
7010	Other income	21,691	13	17,828	5
7020	Other gains and losses	142,948	88	(66,849)	(21)
7050	Financial cost	(10,800)	(7)	(5,746)	(2)
7060	Share of profit or loss of affiliates recognized using the equity method	-	-	(742)	-
	Total non-operating revenue and expenditure	154,815	95	(55,204)	(18)
7900	Net profit (loss) before tax	124,694	77	(37,954)	(13)
7950	Less: Income tax expenses (Note 6(16))	1,235	1	3,244	1
8200	Net income (loss) for this period	123,459	76	(41,198)	(14)
8300	Other comprehensive income (Note 6(2)(15)(16))				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	375	-	1,326	-
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	327	-	45	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(75)	-	(265)	-
8300	Other comprehensive income for this period (net of tax)	627	-	1,106	-
8500	Total comprehensive income for this period	\$ 124,086	76	(40,092)	(14)
	Earnings per share (Unit: NT\$) (Note 6(18))				
9750	Basic earnings per share	\$ 1.83		(0.61)	
9850	Diluted earnings per share	\$ 1.60		(0.61)	

Chairperson: Chang, Yu-Ming

(See Notes to Financial Statements)  
Managerial Officer: Cheng, Yu-Tang

Accounting Officer: Chen, Chien-Hung

**Hsin-Li Chemical Industrial Corp.**  
**Statements of Changes in Equity**  
**For the Years Ended December 31, 2023 and 2022**

**Unit: NT\$ thousand**

	Other equity items					
	Retained earnings			Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income		
	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings (losses to be covered)	Treasury stock	Total equity
<b>Balance as of January 1, 2022</b>	<b>\$ 700,000</b>	-	152,517	144,710	-	947,348
Net loss for this period	-	-	-	(41,198)	-	(41,198)
Other comprehensive income for this period	-	-	-	1,061	45	1,106
Total comprehensive income for this period	-	-	-	(40,137)	45	(40,092)
Earnings appropriation and distribution:						
Appropriation for legal reserve	-	-	13,903	(13,903)	-	-
Cash dividends from ordinary shares	-	-	-	(74,250)	-	(74,250)
Total earnings appropriation and distribution	-	-	13,903	(88,153)	-	(74,250)
Recognition of equity components due to the issuance of convertible corporate bonds - from stock options	-	9,252	-	-	-	9,252
Treasury stock repurchased	-	-	-	-	(13,005)	(13,005)
Treasury shares canceled	(25,000)	-	-	(37,884)	62,884	-
<b>Balance as at December 31, 2022</b>	<b>675,000</b>	<b>9,252</b>	<b>166,420</b>	<b>(21,464)</b>	<b>45</b>	<b>829,253</b>
Net income for this period	-	-	-	123,459	-	123,459
Other comprehensive income for this period	-	-	-	300	327	627
Total comprehensive income for this period	-	-	-	123,759	327	124,086
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	327	(327)	-
<b>Balance as of December 31, 2023</b>	<b>\$ 675,000</b>	<b>9,252</b>	<b>166,420</b>	<b>102,622</b>	<b>45</b>	<b>953,339</b>

(See Notes to Financial Statements)

**Chairperson: Chang, Yu-Ming**

**Managerial Officer: Cheng, Yu-Tang**

**Accounting Officer: Chen, Chien-Hung**



**Hsin-Li Chemical Industrial Corp.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

**Unit: NT\$ thousand**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities:</b>		
Profit (loss) before tax for this period	\$ 124,694	(37,954)
Adjustment items:		
Income and expenses		
Depreciation expenses	24,314	20,105
Amortization expenses	97	250
Gain on reversal of expected credit impairment losses	-	(393)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(142,857)	67,842
Interest expenses	10,800	5,746
Interest revenue	(976)	(305)
Dividend income	(9,529)	(17,517)
Share of losses from affiliates recognized using the equity method	-	742
Gains on disposal and scrapping of property, plant and equipment	(101)	-
Lease modification gain	-	(41)
Unrealized foreign exchange losses	195	-
Total income and expenses	(118,057)	76,429
Movements in assets/liabilities related to operating activities:		
Decrease (increase) in notes receivable	9,203	(153)
Decrease in accounts receivable	15,020	4,574
Increase in other receivables	(4,537)	(28)
Decrease in inventories	11,916	15,337
Increase in net defined benefit assets	(161)	-
Decrease (increase) of other current assets	3,287	(501)
Increase (decrease) in contract liabilities	488	(396)
Decrease in notes payable and accounts payable	(5,424)	(4,826)
Increase (decrease) of other payables	(1,754)	762
Decrease in other current liabilities	(1)	(1,577)
Increase (decrease) in net defined benefit liability	(2,980)	28
Total adjustment items	(93,000)	89,649
Cash inflow from operations	31,694	51,695
Interest received	964	314
Dividends received	9,529	17,517
Interest paid	(5,515)	(2,758)
Income tax paid	(2,077)	(4,819)
Net cash inflow from operating activities	34,595	61,949
<b>Cash flow from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(7,048)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,375	-
Acquisition of financial assets at amortized cost	(6,313)	(8,050)
Acquisition of financial assets at fair value through profit or loss	(144,137)	(125,867)
Proceeds from disposal of financial assets at fair value through profit or loss	129,247	50,737
Acquisition of property, plant and equipment	(26,709)	(99,594)
Proceeds from disposal of property, plant and equipment	180	-
Decrease in guarantee deposits paid	1,283	349
Acquisition of investment property	(55,757)	-
Decrease (increase) in other non-current assets	794	(23,378)
Net cash outflow from investing activities	(101,085)	(205,803)
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	395,090	516,042
Decrease in short-term borrowings	(465,000)	(556,132)
Increase in short-term notes and bills payable	49,988	-
Issuance of corporate bonds	-	294,665
Long-term borrowings	49,500	50,000
Repayment of long-term borrowings	(20,532)	(7,000)
Increase (decrease) in guarantee deposits received	3	(12)
Lease principal repayment	(528)	(514)
Cash dividends paid out	-	(74,250)
Cost of treasury stock repurchase	-	(13,005)
Net cash inflow from financing activities	8,521	209,794
Effect of exchange rate changes on cash and cash equivalents	(22)	-
Increase (decrease) in cash and cash equivalents in the current period	(57,991)	65,940
Opening balance of cash and cash equivalents	89,438	23,498
Ending balance of cash and cash equivalents	\$ 31,447	89,438

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting supervisor: Chen, Chien-Hung

**Attachment 5**

Hsin-Li Chemical Industrial Corp.  
Directors' Concurrent Positions at Other Companies

Job title	Name	Positions concurrently held at other companies
Director	Representative of Jing Hong Ltd.: Chang, Yu-Ming	Chairperson and President of Sun Yad Construction Co., Ltd. Chairperson of U-Best Innovative Technology Co., Ltd. Chairperson of FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD. Chairperson of Myson Century, Inc.
Director	Representative of Jing Hong Ltd.: Chao, Tien-Tsung	Legal Representative of Corporate Director, Myson Century, Inc.
Director	Representative of U- Best Innovative Technology Co., Ltd.: Huang, Nan- Hao	Legal Representative of Corporate Director, U-BEST INNOVATIVE TECHNOLOGY CO., LTD. President of U-Best Innovative Technology Co., Ltd. Legal Representative of Corporate Director, FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.
Independent Director	Hsu, Chi-Jeng	Independent Director, Myson Century, Inc.
Independent Director	Huang, Ling-Tien	Independent Director of Sun Yad Construction Co., Ltd.
Independent Director	Huang, Hsiu-Hui	Vice President of Deep01 Limited

## Attachment 6

### Comparison of the current and amended provisions of the “Articles of Incorporation” of Hsin-Li Chemical Industrial Corp.

Article No.	Provisions after amendments	Provisions before amendments	Note
Article 2	<p>Article 2: The scope of the Company’s business is as follows:</p> <ol style="list-style-type: none"> <li>1. <u>C303010 Manufacture of Non-woven Fabrics</u></li> <li>2. <u>C801100 Synthetic Resin and Plastic Manufacturing</u></li> <li>3. <u>C801990 Other Chemical Materials Manufacturing</u></li> <li>4. <u>C802120 Industrial and Additive Manufacturing</u></li> <li>5. <u>C802200 Coating, Paint, Dye and Pigment Manufacturing</u></li> <li>6. <u>C805010 Manufacture of Plastic Sheets, Pipes and Tubes</u></li> <li>7. <u>D101060 Self-usage power generation equipment utilizing renewable energy industry</u></li> <li>8. <u>F107010 Wholesale of Paints, Coating and Varnishes</u></li> <li>9. <u>F107170 Wholesale of Industrial Catalyst</u></li> <li>10. <u>F107200 Wholesale of Chemical Feedstock</u></li> <li>11. <u>F401010 International Trade</u></li> <li>12. <u>H703100 Real Estate Leasing</u></li> <li>13. <u>ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u></li> </ol>	<p>Article 2: The scope of the Company’s business is as follows:</p> <ol style="list-style-type: none"> <li>I. <u>Processing, manufacturing, and trading of various fiber plastic leather and plastic fabrics</u></li> <li>II. <u>Manufacturing and trading of various plastic raw materials and auxiliary raw materials</u></li> <li>III. <u>Processing, trading, and export of plastics and plastic products</u></li> <li>IV. <u>Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastics additives</u></li> <li>V. <u>Manufacturing and trading of raw materials and auxiliary raw materials for the plastics industry</u></li> <li>VI. <u>Processing and trading of non-woven fabrics</u></li> <li>VII. <u>Import and export of the above products and raw materials thereof</u></li> </ol>	Amended in accordance with the future development of the Company.
Article 28	<p>Where the Company makes a profit for a fiscal year, the profit shall be first used for paying the taxes in accordance with the laws and regulations, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company’s paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations. Then, any remaining profit, together with any undistributed retained earnings at the beginning of the period, shall be adopted by the Company’s Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders’ meeting for a resolution before distribution. <u>In accordance with Article 240 of the Company Act, the Board of Directors of the Company is</u></p>	<p>Where the Company makes a profit for a fiscal year, the profit shall be first used for paying the taxes in accordance with the laws and regulations, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company’s paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations. Then, any remaining profit, together with any undistributed retained earnings at the beginning of the period, shall be adopted by the Company’s Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders’ meeting for a resolution before distribution. In order to motivate employees and the management team, after a cumulative</p>	Amended in accordance with the Company’s policies.

	<p><u>authorized to distribute dividends and bonuses, or all or a portion of the legal reserve and capital surplus as provided in Article 241 of the Company Act, in the form of cash, by a resolution with the presence of at least two-thirds of the directors and approval of a majority of the directors present at the Board of Directors' meeting, and report the distribution proposal to the shareholders' meeting, notwithstanding the foregoing requirement of a resolution of the shareholders' meeting.</u> In order to motivate employees and the management team, after a cumulative deficit is deducted from the Company's profit for the year, the Company shall provide not lower than 2%–5% of the balance, if any, for employee profit-sharing remuneration and no higher than 5% for directors' profit-sharing remuneration. Employee profit-sharing remuneration shall be paid out in stock or cash with the consent of more than half of the directors present at a board meeting attended by at least two-thirds of all directors and reported to the shareholders' meeting.</p>	<p>deficit is deducted from the Company's profit for the year, the Company shall provide not lower than 2%–5% of the balance, if any, for employee profit-sharing remuneration and no higher than 5% for directors' profit-sharing remuneration. Employee profit-sharing remuneration shall be paid out in stock or cash with the consent of more than half of the directors present at a board meeting attended by at least two-thirds of all directors and reported to the shareholders' meeting.</p>	
Article 28-1	<p>The Company's dividend distribution policy shall take into account the current and future investment environment, capital requirements, domestic and foreign competition, capital budget, interests of shareholders, and the Company's long-term financial planning. Shareholders' dividends from distributable earnings <u>shall be provided with at least 30% of the distributable earnings for the year, provided that if the distributable earnings are less than 10% of the Company's paid-in capital, the Board of Directors may resolve not to distribute such earnings. Dividends may be distributed in the form of stock or cash, of which cash dividends may not be less than 10% of the total dividends.</u></p>	<p>Regarding the Company's dividend policy, the Company shall consider its current and future investment environment, capital needs, domestic and international competition situation, capital budgets, and other factors, as well as shareholders' equity and its long-term financial plan and allocates shareholders' dividends from the distributable earnings, of which cash dividends may not be less than 10% of the total dividends to be paid out.</p>	<p>Amended in accordance with the Company's policies.</p>
Article 30	<p>The Article of Incorporate were formulated on June 5, 1973, the 1st amendment was made on March 4, 1980, ..., the 30th amendment was made on June 30, 2022, <u>the 31st amendment was made on May 27, 2024.</u></p>	<p>The Article of Incorporate were formulated on June 5, 1973, the 1st amendment was made on March 4, 1980, ..., the 30th amendment was made on June 30, 2022.</p>	<p>The date of amendment was added.</p>

## Appendix 1

### Articles of Incorporation of Hsin-Li Chemical Industrial Corp.

#### Chapter 1 General Provisions

- Article 1 The Company is named Hsin-Li Chemical Industrial Corp. (信立化學工業股份有限公司) and incorporated in accordance with the provisions of the Company Act.
- Article 2 The scope of the Company's business is as follows:
1. Processing, manufacturing, and trading of various fiber plastic leather and plastic fabrics.
  2. Manufacturing and trading of various plastic raw materials and auxiliary raw materials.
  3. Processing, trading, and export of plastics and plastic products.
  4. Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastics additives.
  5. Manufacturing and trading of raw materials and auxiliary raw materials for the plastics industry.
  6. Processing and trading of non-woven fabrics.
  7. Import and export of the above products and raw materials thereof.
- Article 3 The Company is headquartered in Taoyuan City and may establish branches at home and abroad when necessary by the resolution of the Board of Directors.
- Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.
- Article 5 The Company may provide guarantees to affiliates or investees for business needs.
- Article 6 The Company's investment in other businesses is not Brief to the restriction that the investment in other businesses shall not exceed 40% of the Company's paid-in capital under the Company Act.

#### Chapter 2 Shares

- Article 7 The Company's total authorized capital is NT\$3.5 billion, which is divided into 350 million shares with a par value of NT\$10 per share, which may be issued in tranches. Of the total capital, NT\$35 million is reserved for the issuance of employee stock warrants. When the Company intends to cancel the publicly offered shares, it shall submit a proposal to the shareholders' meeting for supermajority resolution, and this provision shall not be amended when its shares are publicly listed.
- Article 8 The Company's shares are generally registered and are issued after being signed or sealed by the directors representing the Company and certified in accordance with laws.
- Article 9 The Company may be exempted from printing stock certificates for the shares publicly offered and shall register with the centralized securities depository enterprise.
- Article 10 Except as otherwise provided by laws or securities regulations, the Company's shareholders shall handle stock affairs, such as stock transfer, stock pledging, loss reporting, inheritance, gift, change of seal or seal loss reporting, address change, or exercise of all such rights in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 11 The share ownership transfer shall be suspended within 60 days before an annual general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within five days before the record date of payout of dividends, bonuses, or other benefits.

#### Chapter 3 Shareholders' Meeting

- Article 12 There are annual and extraordinary shareholders' meetings. The annual general meeting shall be convened at least once per year within six months after the end of each fiscal year, and shareholders are notified 30 days in advance. An extraordinary shareholders' meeting may be convened at any time as needed with all shareholders notified 15 days in advance. The Company may convene shareholders' meeting by video conference or in other methods as announced by the central competent authority.
- Article 13 Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a letter of attorney printed by the Company and signed or sealed by the shareholder, indicating the scope of the authorization. When a person who acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting rights shall not be counted.
- Unless otherwise provided by the Company Act, the rules of shareholders' attendance by proxy shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.
- Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided in applicable laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than half of the total issued shares. The Company's shareholders may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are considered to be present in person, and all related matters are handled in accordance with the provisions of the Act.

Article 14-1	Each of the Company's shareholders shall be entitled to one vote per share held, except when the shares are deemed non-voting shares under the Company Act.
Article 15	A shareholders' meeting shall be chaired by the Chairperson. When the Chairperson is absent for a specific reason, the Chairperson shall appoint one of the directors to act as the acting chair. Where the Chairperson fails to make such a designation, the directors shall select from among themselves one person to serve as the acting chair. Shareholders' meetings shall proceed in accordance with the Company's rules of procedure. If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
Article 16	Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. Said distribution may be carried out through public announcement. The minutes shall be retained for the duration of the existence of the Company.
Chapter 4 Directors	
Article 17	The Company shall have 7 to 11 directorships on the board. The shareholders' meeting shall elect such directors from a list of candidates through a candidate nomination system. The term of office is 3 years, and they can be re-elected. When the term of office expires before an annual general meeting, it may be extended until new directors are elected at an annual general meeting. The shareholdings of the Company's directors shall be handled in accordance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
Article 17-1	Of said number of the Company's directors in the preceding paragraph, the number of independent directors shall not be fewer than three and shall not be fewer than one-fifth of the total directorships. Independent directors shall be elected by a shareholders' meeting from a list of independent director candidates. The professional qualifications, shareholdings, restrictions on positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the applicable regulations of the competent securities authority.
Article 17-2	The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The committee shall be formed by all independent directors, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise. The Audit Committee, its performance of duties, and relevant matters shall be handled in accordance with the Securities and Exchange Act and applicable laws and regulations.
Article 18	The Board of Directors shall be formed by the directors, and the Chairperson shall be elected by more than half of the attending directors from among themselves at a board meeting attended by more than two-thirds of all directors. The Chairperson represents the Company externally.
Article 19	Unless otherwise regulated by the Company, all important matters and business policies of the Company shall be resolved by the presence of a majority of the directors and the approval of a majority of the directors present. When a director appoints another director to attend a board meeting as proxy, the director shall, for each meeting, issue a proxy form and enumerate the scope of authorization in accordance with the subjects of the board meeting. Each director may serve as a proxy for only one person. If an independent director is unable to attend in person, they shall appoint another independent director to attend as their proxy. The board meeting minutes shall be signed or sealed by the chair and retained in the Company.
Article 20	A board meeting shall be convened and chaired by the Chairperson. When the Chairperson is on leave or cannot perform duties for a specific reason, the Chairperson shall appoint one of the directors to act as the acting chair. Where the Chairperson fails to make such a designation, the directors shall select from among themselves one person to serve as the acting chair. If a board meeting is held by video conference, the directors who attend the meeting by video conference shall be deemed to have attended the meeting in person.
Article 20-1	The Board of Directors shall be convened at least once per quarter. When a board meeting is to be convened, all directors shall be notified of the reasons at least seven days in advance. However, in the event of an emergency, a board meeting may be convened at any time.
Article 21	The Company's board meeting notice may be delivered in writing as well as by fax or e-mail. When the vacancy of directors reaches one-third of all directors or all independent directors are dismissed, the Board of Directors shall hold an extraordinary shareholders' meeting for a by-election within 60 days from the date of occurrence of the event. If independent directors are dismissed for a specific reason, making the number of independent directors fall short of the number specified in the Articles of Incorporation, the Company shall hold a by-election at the soonest shareholders' meeting. The term of office of each director elected at a by-election shall be limited to the predecessor's remaining term of office.
Article 22	The Company may pay honoraria to directors at its discretion and delegate the Board of Directors to determine the amount.
Article 23	The Company may purchase liability insurance for directors during their term of office for the

- liability for damage within the scope of their responsibilities in accordance with the law.
- Article 24 The Board of Directors may establish various functional committees for business operations and shall approve the charter of each committee before putting it into formal operation.
- Article 25 (Deleted)

#### Chapter 5 Managerial Officers

- Article 26 The Company may have a president and several vice presidents and managerial officers in place. The appointment, recruitment, and dismissal of the president shall be approved by more than half of all board members after being submitted by the Chairperson to the Board of Directors. The appointment, recruitment, and dismissal of other managerial officers shall be approved by more than half of all board members after being submitted by the President to the Board of Directors. The President shall follow orders given by the Chairperson and perform the Company's daily business in accordance with the resolutions adopted by the Board of Directors.

#### Chapter 6 Accounting

- Article 27 The Board of Directors shall prepare the following documents at the end of each fiscal year: (I) a business report (II) financial statements, (III) a statement of earnings distribution or a deficit compensation statement and send them to the Audit Committee no later than 30 days before the annual general meeting is convened for review, and the committee shall issue a review report and submit it to the annual general meeting for adoption.
- Article 28 Where the Company makes a profit for a fiscal year, the profit shall be first used for paying the taxes in accordance with the laws and regulations, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations. Then, any remaining profit, together with any undistributed retained earnings at the beginning of the period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution before distribution. In order to motivate employees and the management team, after a cumulative deficit is deducted from the Company's profit for the year, the Company shall provide not lower than 2%–5% of the balance, if any, for employee profit-sharing remuneration and no higher than 5% for directors' profit-sharing remuneration. Employee profit-sharing remuneration shall be paid out in stock or cash with the consent of more than half of the directors present at a board meeting attended by at least two-thirds of all directors and reported to the shareholders' meeting.
- Article 28-1 Regarding the Company's dividend policy, the Company shall consider its current and future investment environment, capital needs, domestic and international competition situation, capital budgets, and other factors, as well as shareholders' equity and its long-term financial plan and allocates shareholders' dividends from the distributable earnings, of which cash dividends may not be less than 10% of the total dividends to be paid out.

#### Chapter 7 Supplementary Provisions

- Article 29 Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other applicable laws and regulations.
- Article 30 The Articles of Incorporation were formulated on June 5, 1973; 1st first amendment was made on March 4, 1980; the 2nd amendment was made on September 14, 1980; the 3rd amendment was made on August 9, 1981; the 4th amendment was made on February 26, 1984; the 5th amendment was made on August 20, 1984; the 6th amendment was made on April 3, 1987; the 7th amendment was made on October 15, 1988; the 8th amendment was made on August 30, 1990; the 9th amendment was made on June 23, 1991; the 11th amendment was made on November 10, 1991; the 12th amendment was made on April 27, 1992; the 13th amendment was made on June 23, 1992; the 14th amendment was made on October 24th, 1992; the 15th amendment was made on February 5, 1994; the 16th amendment was made on May 31, 1994; the 17th amendment was made on May 23, 1998; the 18th amendment was made on June 25, 1999; the 19th amendment was made on June 17, 2000; the 20th amendment was made on June 26, 2002; the 21st amendment was made on June 28, 2006; the 22nd amendment was made on June 23, 2010; the 23rd amendment was made on June 20, 2012. The 24th amendment was made on June 16, 2014. The 25th amendment was made on June 24, 2015. The 26th amendment was made on June 22, 2017. The 27th amendment was made on June 22, 2018, the amendment was made on June 23, 2020; the 29th amendment was made on July 8, 2021; the 30th amendment was made on June 30, 2022.

## Appendix 2

### Rules of Procedure for Shareholders' Meetings of Hsin-Li Chemical Industrial Corp.

- Article 1 The Company's shareholders' meeting shall be conducted in accordance with these Rules unless otherwise provided by laws and regulations.
- Article 2 The shareholders mentioned in the "Rules" refer to the shareholders and the proxies entrusted by the shareholders for attendance at shareholders' meetings.
- Article 3 Attendance and voting at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in cards handed in by shareholders (or their proxies) and the sign-in record on the video conferencing platform, plus the number of shares whose voting rights are exercised in writing or by electronic means. The Company's shareholders may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are considered to be present in person, but to have waived their rights with respect to the extempore motions and amendments to the original proposals of that meeting.
- Article 4 The location of 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. When the Company convenes a shareholders' meeting by video conference, it is not Brief to the restriction on the venue of the meeting under the preceding paragraph. The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted. The time, at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in location place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person. Shareholders shall attend a shareholders' meeting with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished. When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting. If a shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.
- Article 4-1 When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:
- I. Shareholders' methods of participating in the video conference and exercising their rights.
  - II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other *force majeure* events shall include at least the following:
    - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
    - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
    - (III) When a physical shareholders' meeting is convened, supplemented by a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
    - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
  - III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.



- Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson. When the Chairperson is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairperson shall chair the meeting on his behalf. Where the Vice Chairperson is on leave or unable to exercise the powers as the chair for any reason, the Chairperson shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, Chairperson shall appoint one of the directors to act as the chair. Where the Chairperson fails to make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair. Where a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the meeting shall be chaired by said party.
- Article 6 The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.
- Article 7 Staff handling a shareholders' meeting shall wear an identification badge or an armband. The Company shall make an audio and video recording of the entire proceedings of a shareholders' meeting and retain the recordings for at least one year. If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference. Such recordings shall be properly kept by the Company during the period of its existence and provided to those who are entrusted to handle the video conference affairs for storage.
- Article 8 The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of outstanding 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 attending shareholders still represent less than one-third of the total number of outstanding shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform. If there are not enough shareholders, while representing at least one-third of outstanding shares after two postponements under the preceding paragraph, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the meeting pursuant to Article 174 of the Company Act.
- Article 9 Unless otherwise provided by laws and regulations, the shareholders' meeting shall be convened by the Board of Directors. Changes to the method of convening the shareholders' meeting shall be Brief to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent. Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for adoption, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS) in an electronic file. Meanwhile, 21 days before the Company convenes an annual general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, the Company, with the paid-in capital amounting to NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the general shareholders' meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the general shareholders' meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock affairs agency. The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:
- I. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
  - II. When a physical shareholders' meeting is convened, supplemented by a video conference, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
  - III. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the

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

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on relevant proposals on the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions). After the meeting is adjourned, shareholders may not nominate another chair or seek another venue for continuation of the meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, a new chair shall be elected with the consent of a majority of the votes represented by the attending shareholders to continue the meeting.

Article 10 A shareholder wishing to speak at a shareholders' meeting shall first fill out a slip, specifying therein the major points of their speech, shareholder account number (or attendance card number), and account name, and the chair shall determine their order of giving a speech. A shareholder who submits a speech slip without giving a speech shall be considered as not having given a speech. If the contents of the speech are different from those specified on the slip, the contents of their speech shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 11 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the proposal, the chair may have the shareholder stop the speech.

Article 12 When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

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

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 10 to 12 shall not apply.

Article 14 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 15 Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and recorded.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced. If a shareholders' meeting is convened, supplemented by a video conference, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, and intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

- Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.
- Article 16 When a meeting is in progress, the chair may announce a break based on time considerations. If a *force majeure* event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 17 Except as otherwise provided in the Company Act and in the Articles of Incorporation, a proposal shall be adopted by a majority vote of the shareholders present, who represent more than half of the total issued shares. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 18 Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. Said distribution may be conducted with an announcement on the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company. When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph. When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.
- Article 19 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting venue, they shall wear an armband, reading "Proctor." When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 20 When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the video conference platform in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.
- Article 21 When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.
- Article 22 When a shareholders' meeting is convened by video conference, Article 182 of the Company Act does not apply to the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other *force majeure* events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes before the chair declares the meeting adjourned. In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed. For the meeting to be postponed or resumed under paragraph 1, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance, and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at

the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with paragraph 1, the proposals for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholders' meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 1, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 1.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain from all proposals resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 1, it shall handle the relevant matters in accordance with the provisions set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; 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 postpone or resume the shareholders' meeting at a date as per paragraph 1.

Article 23 When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 24 Matters not specified in the Rules shall be handled in accordance with the Company Act, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, the Rules Governing the Conduct of Shareholders Meetings by Public Companies, the Company's Articles of Incorporation, and other applicable laws and regulations.

Article 25 The Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.

### Appendix 3

#### Rules for Election of Directors of Hsin-Li Chemical Industrial Corp.

- I. Except as otherwise provided by law and regulation or the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with the Rules.
- II. The cumulative voting method shall be adopted for an election of directors at the Company. Each share shall contain the number of voting rights equal to the directors to be elected, and votes may be cast for a single candidate or split among multiple candidates.
- III. The Board of Directors shall prepare ballots for directors in the number equal to the number of directors to be elected with the number of voting rights specified on the ballots, which shall then be distributed to the shareholders present at the shareholders' meeting. Attendance card numbers printed on the ballots may be used to replace the electors' names.
- IV. Before such an election begins, the chair shall appoint a number of scrutineers and vote counting personnel to perform their respective duties.
- V. The Board of Directors shall prepare ballot boxes, and scrutineers shall publicly check the boxes before voting commences.
- VI. If an electee is a shareholder, an elector shall enter the electee's account name and account number in the Electee field in the ballot; if an electee is not a shareholder, their name and national identification number shall be entered in the ballot. However, when a government agency or an institutional shareholder is an electee, its name (and the name of its representative, if applicable) shall be entered in the Electee Account Name field. When there are several representatives, the names of the representatives shall be entered one by one.
- VII. A ballot shall be invalid under any of the circumstances below:
  - (I) A ballot was not prepared in accordance with the Rules.
  - (II) A blank ballot is placed in the ballot box.
  - (III) The writing in a ballot is unclear and indecipherable or has been altered.
  - (IV) The account name or account number of an electee, who is a shareholder, entered in the ballot does not conform to the shareholder list, or the name or national identification number of an electee, who is not a shareholder, entered in the ballot is not consistent with the information recorded.
  - (V) Other words or marks are entered in a ballot in addition to the account name (name) of an electee or shareholder account number (national identification number) and the number of voting rights allotted.
  - (VI) The account name (name) or shareholder account number (national identification number) of an electee is not entered in a ballot.
  - (VII) Two or more electees are entered in the same ballot.
- VIII. The Company's directors shall be elected by the shareholders' meeting from a list of candidates with the legal capacity according to the number of directorships specified in the Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights shall be elected in order according to the respective numbers of votes they won. When two or more persons receive the same number of votes, thus exceeding the specified number of directorships, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- IX. The votes shall be counted on-site immediately after the end of the voting, and the results of the voting, including the list of persons elected as directors and the numbers of votes they won, shall be announced by the chair on-site. The ballots for the election referred to in the preceding paragraph shall be sealed with the scrutineers' signatures and kept in proper custody for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- X. The Board of Directors shall issue notifications to the persons elected as directors.
- XI. Matters not specified in the Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and applicable laws and regulations.
- XII. The Rules and any amendments thereto shall come into force after being approved by the shareholders' meeting.

## Appendix 4

### Hsin-Li Chemical Industrial Corp. Directors' Shareholdings

Book closure date: March 29, 2024

Number of shares that shall be held by all directors as required by law: 6,237,181

Job title	Name	Number of shares held when elected		Number of shares held recorded in the shareholder register on the date of suspension of stock transfer	
		Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
Chairperson	Representative of He Rui Investment Ltd. Chang, Yu-Ming	329,000	0.47%	329,000	0.42%
Director	Representative of U-Best Innovative Technology Co., Ltd. Chao, Tien-Tsung	10,180,219	14.54%	10,180,219	13.05%
Independent Director	Hsu, Chi-Jeng	0	0%	0	0%
Independent Director	Huang, Ling-Tien	0	0%	0	0%
Independent Director	Wu, Chang-Cheng	0	0%	0	0%
Total shareholding of all directors		10,509,219	15.01%	10,509,219	13.47%

Note: As of March 29, 2024, the Company has issued 77,964,761 shares.