



Hsin-Li Chemical Industrial Corp.

Annual General Meeting of 2023 Meeting Handbook

Time and Date: 2:00 p.m., May 26, 2023

**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 2023 Annual General Meeting of Hsin-Li Chemical Industrial Corp.

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
- IV. Proposals
- V. Election
- VI. Other Proposals
- VII. Extempore Motions
- VIII. Adjournment

Agenda of the 2023 Annual General Meeting of Hsin-Li Chemical Industrial Corp.

Form of Shareholders' Meeting: Physical

Time and Date: 2:00 p.m., May 26, 2023 (Friday)

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. Chairperson Remarks

III. Report Items

(I) Business Report of 2022.

(II) Audit Committee' Review Report on the 2022 financial statements.

IV. Proposals

(I) Business Report of 2022 and the 2022 financial statements.

(II) Deficit Compensation Statement of 2022.

V. Election

(I) A by-election of one independent director.

VI. Other Proposals

(I) Proposal to remove the non-compete clause for new directors.

VII. Extempore Motions

VIII. Adjournment

Report Items

Proposal 1

Brief: Business Report of 2022.

Note: Please refer to page 6 for the Company's Business Report.

Proposal 2

Brief: Audit Committee' Review Report on the 2022 financial statements.

Note: Please refer to page 7 for the Audit Committee's Review Report.

Proposals

Proposal 1 (Proposed by the Board of Directors)

Brief: Business Report of 2022 and the 2022 financial statements are submitted for ratification.

Notes: 1. The Company's 2022 Business Report and financial statements have been approved by the Board of Directors, audited by Hsu, Chen-Lung and Chen, Kuo-Tsung, CPAs at KPMG in Taiwan, and reviewed by the Audit Committee, by which a review report has been issued for review.

2. Please refer to pages 6 and 9–16 of the 2022 Business Report and the 2022 financial statements, which are submitted for ratification.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Brief: The 2022 Deficit Compensation Statement is submitted for ratification.

Notes: 1. The Company's 2022 Deficit Compensation Statement has been passed by resolution of the Board of Directors. It has decided not to distribute dividends for this year.

2. Please refer to page 8 for the Deficit Compensation Statement, which is submitted for ratification.

Resolution:

Election

Proposal 1 (Proposed by the Board of Directors)

Brief: A by-election of one independent director is submitted for a vote.

Notes: 1. Independent director Chen, Chi-Chang resigned on February 16, 2023, and it is proposed to hold a by-election to elect one independent director.

2. As per the Articles of Incorporation, directors shall be elected through a candidate nomination system by the shareholders' meeting from a list of director candidates. The newly elected independent director will take office immediately after the shareholders' meeting. The term of office begins from May 26, 2023 through July 7, 2024, which is the same as the current term of the Board of Directors.

3. The list of independent director candidates was approved by resolution of the Board of Directors on February 24, 2023. The information on their education backgrounds, experience, and number of shares held is as follows

Job title	Name of candidate	Education	Experience	Number of shares held
Independent Director	Huang, Ling-Tien	EMBA, National Yang Ming Chiao Tung University MBA, University of Leicester	1. Vice President, Human Resources and Administration Center, ProLogium Technology 2. Head of Human Resources Department, Win Semiconductors Corp.	0

4. This election is based on the Company's Rules of Election of Directors. Please refer to page 27.

Election results:

Other Proposals

Proposal 1 (Proposed by the Board of Directors)

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

- Notes:
1. The Company intends to submit a proposal to the annual general 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 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 2022 operating revenue amounted to NT\$325,363 thousand, net loss after tax was NT\$42,235 thousand, and loss per share were NT\$0.61, with a 10.86% decrease in operating revenue and a 7.2% increase in net income after tax compared with 2021.

2. Budget implementation:

Not applicable as the Company did not unpublished financial forecast for 2022.

3. Analysis on financial income & expense and profitability:

(1) Financial income

Unit: NT\$ thousand

Item	2022	2021	Increase (decrease) in amount	Increase (decrease) (%)
Operating revenue	325,363	365,000	(39,637)	-10.86%
Operating costs	263,655	303,264	(39,609)	-13.06%
Net operating income	17,250	18,589	(1,339)	-7.20%
Net income for this period	(41,198)	136,765	(179,000)	-130.88%

(2) Analysis of profitability

Item	2022	2021
Return on assets	-3%	11%
Return on equity	-5%	15%
Operating income as a percentage of paid-in capital	3%	3%
Net income before tax as a percentage of paid-in capital	-6%	20%
Profit margin	-13%	38%
Earnings per share (NTD)	-0.61	1.96

4. Research and development (R&D):

(1) New product development

① In addition to the existing products, the Company developed A700 & A7000 foamed products and solvent-free processed products, along with recycled base cloth and application for international GRS certification, in accordance with environmental protection requirements. Also, we focused on the R&D of water-based PU breathable membranes to satisfy clients' needs for various applications.

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.

Chairman: Chang, Yu-Ming

President: Cheng, Yu-Tang

Chief Accounting Officer: Chang,
Chen-Ching

Attachment 2

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

The Board of Directors prepared the 2022 Business Report, parent-company only financial statements, and the deficit compensation statement, among which the parent-company only financial statements were audited by Hsu, Chen-Lung and Chen, Kuo-Tsung, CPAs at KPMG in Taiwan, by whom an audit report with an unqualified opinion was issued. We have reviewed the above business report, financial statements, and a statement of deficit compensation without identifying any inconsistency, so we have issued a 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.

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The 2023 Annual General Meeting of Hsin-Li Chemical Industrial Corp.

Hsu, Chi-Jeng,
Convener of the Audit Committee

February 24, 2023

Attachment 3

Hsin-Li Chemical Industrial Corp.

Deficit Compensation Statement

2022

Unit: NT\$

Item	Amount
Opening balance	56,556,922
Add: Actuarial gains or losses on defined benefits	1,326,336
Less: Income tax on other comprehensive income	(265,267)
Less: Treasury stock	(37,884,592)
Adjusted retained earnings	19,733,399
Add: Net loss after tax for this period	(41,197,306)
Deficit to be offset	(21,463,907)
Less: Shareholder dividend	0
Balance, ending	(21,463,907)

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Chief Accounting Officer:
Chang, Chen-Ching

Attachment 4

Independent Auditors' Report

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

Audit opinion

We have audited the accompanying balance sheets of Hsin-Li Chemical Industrial Corp. (the "Company") for the years ended December 31, 2022 and 2021 and the relevant statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying individual financial statements, based on our audit results, present fairly, in all material respects, the Company's financial position as of December 31, 2022 and 2021 and for the years then ended, and its financial performance and cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for audit opinion

We conducted our audits 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, 2022, 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 inventory valuation; Note 5(1) thereto for the accounting estimates and assumption uncertainties of inventory valuation; Note 6(5) thereto for the details of inventory valuation.

Details of key audit matters

The amount of the Company's inventory was recognized at the lower of cost or net realizable value. As the Company's product orders and sale prices are easily affected by market price fluctuations due to the fierce competition in the industry, resulting in a higher risk of inventory valuation or obsolescence loss; as such, there may be a risk that the cost of the inventory exceeds its net realizable value. Therefore, the net realizable value of the inventory is one of the key audit items when we audited the Company's financial statements.

Corresponding audit procedures:

The main audit procedures we carried out for the above key audit matter included reviewing the inventory aging report to analyze the reasonability of the changes in the inventory age; obtaining the inventory valuation statements to check the reasonability of the sale prices adopted by the management for inventory valuation; evaluating the allowance for inventory valuation loss recognized by the Company's management by the type of inventory, including implementing the sampling procedures to check the correctness of the inventory aging report and the statement of the inventory net realizable value and assessing if the management's disclosures of the inventory valuation were appropriate.

Other matters

The Company's 2021 financial statements were audited by other independent accountants, by whom an audit report, along with an unqualified opinion, was issued on February 25, 2022.

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 Company's governing bodies (including its Audit Committee) are responsible for supervising the financial reporting process.

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, 2022. 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.

KPMG, Taiwan

CPAs: Hsu, Cheng-Lung
Chen, Kuo-Tsung

Competent Securities Authority Approval Document No. : Jin-Guan-Zheng-VI No. 0960069825
(2000)-Tai-Cai-Zeng-(VI) No. 62474

February 24, 2023

Hsin-Li Chemical Industrial Corp.
Balance Sheets
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Assets	2022.12.31		2021.12.31			Liabilities and Equity	2022.12.31		2021.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 89,438	6	23,498	2	2100 Short-term borrowings (Notes 6(10) and 8)	\$ 179,910	13	220,000	18	
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	152,321	11	139,525	11	2130 Contract liabilities - current (Note 6(19))	212	-	608	-	
1136 Financial assets at amortized cost - current (Notes 6(1) and 8)	8,050	1	-	-	2150 Notes payable	301	-	576	-	
1150 Notes receivable, net (Note 6(3)(19))	11,137	-	10,984	1	2170 Accounts payable (Note 7)	17,701	1	22,252	2	
1170 Accounts receivable, net (Notes 6(3)(19) and 7)	37,389	3	41,570	3	2200 Other payables	39,313	3	18,872	2	
1200 Other receivables (Note 6(4))	456	-	437	-	2230 Current tax liabilities	1,596	-	3,751	-	
1220 Current income tax assets	-	-	552	-	2280 Lease liabilities - current (Note 6(13))	378	-	905	-	
130X Inventories (Note 6(5))	40,576	3	55,913	4	2320 Long-term liabilities due within one year or one business cycle (Note 6(12))	16,000	1	-	-	
1470 Other current assets	7,237	-	6,736	1	2399 Other current liabilities - others	2,175	-	3,752	-	
1476 Other financial assets - current (Notes 6(1) and 8)	800	-	800	-	Total current liabilities	257,586	18	270,716	22	
Total current assets	347,404	24	280,015	22	Non-current liabilities:					
Non-current assets:					2500 Financial liabilities at fair value through profit or loss - non-current (Note 6(2)(11))	3,390	-	-	-	
1510 Financial assets at fair value through profit or loss - non-current (Note 6(2))	341,191	24	344,239	28	2530 Corporate bonds payable (Note 6(11))	287,491	20	-	-	
1517 Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	926	-	-	-	2540 Long-term borrowings (Note 6(12))	27,000	2	-	-	
1550 Investment using the equity method (Note 6(6))	-	-	1,623	-	2570 Deferred tax liabilities (Note 6(16))	31,448	3	31,475	2	
1600 Property, plant and equipment (Notes 6(7) and 8)	651,073	45	531,523	42	2580 Lease liabilities - non-current (Note 6(13))	223	-	3,061	-	
1755 Right-of-use assets (Note 6(8))	596	-	3,916	-	2645 Guarantee deposits received (Note 7)	2,572	-	2,584	-	
1760 Investment property, net (Notes 6(9) and 8)	73,544	5	93,226	8	2670 Other non-current liabilities (Note 6(15))	2,980	-	4,278	1	
1840 Deferred tax assets (Note 6(16))	1,426	-	1,746	-	Total non-current liabilities	355,104	25	41,398	3	
1920 Guarantee deposits paid	1,785	-	2,134	-	Total liabilities	612,690	43	312,114	25	
1995 Other non-current assets - others	23,998	2	1,040	-	Equity (Note 6(11)(17)):					
Total non-current assets	1,094,539	76	979,447	78	3100 Share capital	675,000	47	700,000	56	
					3200 Capital surplus	9,252	-	-	-	
					Retained earnings:					
					3310 Legal reserve	166,420	12	152,517	12	
					3350 Undistributed earnings	(21,464)	(1)	144,710	11	
						144,956	10	297,227	23	
					3400 Other equity	45	-	-	-	
					3500 Treasury stock	-	-	(49,879)	(4)	
					Total equity	829,253	57	947,348	75	
Total assets	\$ 1,441,943	100	1,259,462	100	Total liabilities and equity	\$ 1,441,943	100	1,259,462	100	

Chairman: Chang, Yu-Ming

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

Accounting Manager: Chang, Chen-Ching

Hsin-Li Chemical Industrial Corp.
Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(19) and 7)	\$ 325,363	100	365,000	100
5000 Operating costs (Notes 6(5)(15)(20) and 7)	263,655	81	303,264	83
5900 Gross profit	61,708	19	61,736	17
Operating expenses (Notes 6(15)(20) and 7):				
6100 Marketing expenses	12,759	4	9,454	3
6200 Management fees	26,747	8	26,062	7
6300 Research and development expenses	5,345	2	7,631	2
6450 Gain on reversal of expected credit impairment losses	(393)	-	-	-
6000 Total operating expenses	44,458	14	43,147	(12)
Net operating income	17,250	5	18,589	5
Non-operating income and expenses (Notes 6(6)(11)(21) and 7):				
7100 Interest revenue	305	-	24	-
7010 Other income	17,828	5	15,111	4
7020 Other gains and losses	(66,849)	(21)	108,562	30
7050 Financial cost	(5,746)	(2)	(2,131)	(1)
7060 Share of profit or loss of affiliates recognized using the equity method	(742)	-	81	-
7000 Total non-operating revenue and expenditure	(55,204)	(18)	121,647	33
7900 Net profit (loss) before tax	(37,954)	(13)	140,236	38
7950 Less: Income tax expenses (Note 6(16))	3,244	1	3,471	1
8200 Net income (loss) for this period	(41,198)	(14)	136,765	37
8300 Other comprehensive income (Note 6(2)(15)(16))				
8310 Items not reclassified to profit or loss				
8311 Remeasurement of defined benefit plans	1,326	-	2,833	-
8316 Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	45	-	-	-
8399 Less: Income tax related to items not subsequently reclassified to profit or loss	(265)	-	(567)	-
8300 Other comprehensive income for this period (net of tax)	1,106	-	2,266	-
8500 Total comprehensive income for this period	\$ (40,092)	(14)	139,031	37
9750 Basic earnings per share (unit: NT\$) (Note 6(18))	\$ (0.61)		1.96	
9850 Diluted earnings per share (unit: NT\$) (Note 6(18))	\$ (0.61)		1.96	

(See Notes to Financial Statements)

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting Manager: Chang,
Chen-Ching

Hsin-Li Chemical Industrial Corp.
Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

	Ordinary share capital	Capital surplus	Legal reserve	Retained earnings Undistributed earnings	Other equity items Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
Balance as at January 1, 2021	\$ 700,000	-	152,517	26,679	-	-	879,196
Net income for this period	-	-	-	136,765	-	-	136,765
Other comprehensive income for this period	-	-	-	2,266	-	-	2,266
Total comprehensive income for this period	-	-	-	139,031	-	-	139,031
Earnings appropriation and distribution:							
Cash dividends from ordinary shares	-	-	-	(21,000)	-	-	(21,000)
Treasury stock repurchased	-	-	-	-	-	(49,879)	(49,879)
Balance as at December 31, 2021	700,000	-	152,517	144,710	-	(49,879)	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)
	-	-	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	-
Balance as at December 31, 2022	\$ 675,000	9,252	166,420	(21,464)	45	-	829,253

(See Notes to Financial Statements)

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting Manager: Chang, Chen-Ching

Hsin-Li Chemical Industrial Corp.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

	2022	2021
Cash flow from operating activities:		
Net income (loss) before tax for this period	\$ (37,954)	140,236
Adjustment items:		
Income and expenses		
Depreciation expenses	20,105	22,366
Amortization expenses	250	410
Gain on reversal of expected credit impairment losses	(393)	-
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	67,842	(109,379)
Interest expenses	5,746	2,131
Interest revenue	(305)	(24)
Dividend income	(17,517)	(9,035)
Share of loss (profit) of affiliates and joint ventures recognized using the equity method	742	(81)
Loss on disposal of property, plant and equipment	-	320
Lease modification gain	(41)	-
Total income and expenses	76,429	(93,292)
Movements in assets/liabilities related to operating activities:		
Increase in notes receivable	(153)	(2,429)
Decrease in accounts receivable	4,574	3,488
Increase in other receivables	(28)	-
Decrease in inventories	15,337	14,567
Increase in other current assets	(501)	(2,455)
Increase (decrease) in contract liabilities	(396)	448
Decrease in notes payable	(275)	(11,914)
Increase (decrease) in accounts payable	(4,551)	6,722
Increase in other payables	762	6,996
Increase (decrease) in other current liabilities	(1,577)	1,321
Increase (decrease) in net defined benefit liability	28	(7,233)
Other non-current liabilities	-	22
Total adjustment items	89,649	(83,759)
Cash inflow from operations	51,695	56,477
Interest received	314	24
Dividends received	17,517	9,035
Interest paid	(2,758)	(2,130)
Income tax paid	(4,819)	(277)
Net cash inflow from operating activities	61,949	63,129
Cash flow from investing activities:		
Acquisition of financial assets at amortized cost	(8,050)	-
Acquisition of financial assets at fair value through profit or loss	(125,867)	(143,221)
Disposal of financial assets at fair value through profit or loss	50,737	152,925
Acquisition of property, plant and equipment	(99,594)	(4,848)
Proceeds from disposal of property, plant and equipment	-	1,826
Decrease in guarantee deposits paid	349	290
Decrease (increase) in other non-current assets	(23,378)	122
Net cash inflow (outflow) from investing activities	(205,803)	7,094

Cash flow from financing activities:		
Increase in short-term borrowings	516,042	483,000
Decrease in short-term borrowings	(556,132)	(471,000)
Issuance of corporate bonds	294,665	-
Long-term borrowings	50,000	-
Repayment of long-term borrowings	(7,000)	-
Increase (decrease) in guarantee deposits received	(12)	653
Lease principal repayment	(514)	(679)
Cash dividends paid out	(74,250)	(21,000)
Cost of treasury stock repurchase	(13,005)	(49,879)
Net cash inflow (outflow) from financing activities	<u>209,794</u>	<u>(58,905)</u>
Increase in cash and cash equivalents for this period	65,940	11,318
Opening balance of cash and cash equivalents	23,498	12,180
Ending balance of cash and cash equivalents	<u>\$ 89,438</u>	<u>23,498</u>

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting Manager: Chang, Chen-Ching

Attachment 5

Hsin-Li Chemical Industrial Corp.

Independent Directors' Concurrent Positions at Other Companies

Job title	Name	Positions concurrently held at other companies
Independent Director	Huang, Ling-Tien	Sun Yad Construction Co., Ltd. Independent Director

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. and incorporated in accordance with the provisions of the Company Act.
- Article 2: The scope of the Company's business is as follows:
- I. Processing, manufacturing, and trading of various fiber plastic leather and plastic fabrics
 - II. Manufacturing and trading of various plastic raw materials and auxiliary raw materials
 - III. Processing, trading, and export of plastics and plastic products
 - IV. Manufacturing, processing, and trading of synthetic resins, plasticizers, adhesives, fixatives, inks, plastic dyes, plastic pigments, textile auxiliaries, papermaking auxiliaries, and plastics additives
 - V. Manufacturing and trading of raw materials and auxiliary raw materials for the plastics industry
 - VI. Processing and trading of non-woven fabrics
 - VII. 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 subject 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 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. 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 Chairman. When the Chairman is absent for a specific reason, the Chairman shall appoint one of the directors to act as the acting chair. Where the Chairman 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 seven to eleven 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 three 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 Chairman 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 Chairman represents the Company externally.

Article 19: Unless otherwise stipulated by the Company, the Company's important matters or business policies shall be resolved with the consent of more than half of the directors present at a board meeting attended by more than half of all directors. A director appointing another director to attend a board meeting on their behalf shall, in each case, give to that director a written proxy stating the scope of authorization with respect to the reasons for the 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 Chairman. When the Chairman is on leave or cannot perform duties for a specific reason, the Chairman shall appoint one of the directors to act as the acting chair. Where the Chairman 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. The Company's board meeting notice may be delivered in writing as well as by fax or email.

Article 21: 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 Managers

Article 26: The Company may have a president and several vice presidents and managers 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 Chairman to the Board of Directors. The appointment, recruitment, and dismissal of other managers 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 Chairman 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 ratification.

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 remuneration and no higher than 5% for directors' remuneration. Employee 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 provide shareholders' dividends from the distributable earnings, of which cash dividends may not be lower 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; the first amendment was made on March 4, 1980; the second amendment was made on September 14, 1980; the third amendment was made on August 9, 1981; the fourth amendment was made on February 26, 1984; the fifth amendment was made on August 20, 1984; the sixth amendment was made on April 3, 1987; the seventh amendment was made on October 15, 1988; the eighth amendment was made on August 30, 1990; the ninth 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 28th 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 subject 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 Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, Chairman shall appoint one of the directors to act as the chair. Where the Chairman 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.

Staff handling a shareholders' meeting shall wear an identification badge or an armband.

Article 7: 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 subject 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 ratification, 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 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 shareholder's 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 of 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 28, 2023

Number of shares that shall be held by all directors as required by law: 5,400,000

Job title	Name	Date elected	Term of office	Number of shares held when elected		Number of shares held recorded in the shareholder register on the book closure date	
				Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
Chairman	Representative of He Rui Investment Ltd. Chang, Yu-Ming	2021.07.08	3 years	329,000	0.47%	329,000	0.49%
Director	Representative of U-Best Innovative Technology Co., Ltd. Chao, Tien-Tsung	2021.07.08	3 years	10,180,219	14.54%	10,180,219	15.08%
Director	Wu, Yi-Jen	2021.07.08	3 years	1,670,354	2.39%	1,670,354	2.47%
Director	Lin, Ching-Long	2021.07.08	3 years	2,667,192	3.81%	2,667,192	3.95%
Independent Director	Hsu, Chi-Jeng	2021.07.08	3 years	0	0%	0	0%
Independent Director	Wu, Chang-Cheng	2021.07.08	3 years	0	0%	0	0%
Total shareholding of all directors				14,846,765	21.21%	14,846,765	22.00%

Note: As of March 28, 2023, the Company has issued 67,500,000 shares.