

Stock Code: 4303



**Hsin-Li Chemical Industrial Corp.**

**2025 General Shareholders' Meeting  
Handbook**

**Time and Date: 9:00 a.m., May 23, 2025**

**Location: 4F, No. 250, Section 2, Yonghua Road, Anping District,  
Tainan City (conference hall)**

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**Procedures for the 2025 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. Extempore Motions
- VII. Adjournment

# **Agenda of the 2025 Annual General Shareholders' Meeting of Hsin-Li Chemical Industrial Corp.**

Form of Shareholders' Meeting: Physical

Time and Date: 9:00 a.m., May 23, 2025 (Friday)

Location: 4F, No. 250, Section 2, Yonghua Road, Anping District, Tainan City (conference hall)

Meeting Procedure:

I. Call the Meeting to Order

II. Meeting Chair Remarks

III. Reports

(I) 2024 Business Report.

(II) Audit Committee's Review Report on the 2024 final accounting reports.

(III) Report on distribution of 2024 profit-sharing remuneration for employees and directors.

(IV) 2024 Earning Distribution and Cash Dividends Status Report.

(V) The Company's "Rules of Procedure for Board of Directors Meetings" Amendment Report.

(VI) Other Reports.

IV. Adoption

(I) 2024 Business Report and Financial Statements.

(II) 2024 Earnings Distribution Proposal.

V. Discussion

(I) Amendments to the "Articles of Incorporation" of the Company

(II) Proposal to amend the Company's "Procedures Governing the Acquisition and Disposal of Assets."

(III) Proposal to amend the Company's "Procedures of Outward Loans to Others."

(IV) Proposal to amend the Company's "Operating Procedures for Making Endorsements/Guarantees."

(V) Proposal for the Company's 2024 Surplus Capital Conversion and New Share Issuance.

VI. Extempore Motions

VII. Adjournment

## Reports

No. 1

Cause: 2024 Business Report, submitted for review.

Note: Please refer to pages 9-10 for the Company's Business Report.

No. 2

Cause: Audit Committee's 2024 Financial Statements review report, submitted for review.

Note: Please refer to page 11 for the Audit Committee's Review Report.

No. 3

Cause: Report on the distribution of 2024 profit-sharing remuneration for employees and directors.

Explanation:

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 2024, the Company has allocated 2% of its profits as employee compensation, amounting to NT\$17,129,924, and 2% as director compensation, also amounting to NT\$17,129,924. These amounts are consistent with the estimated expenses recognized for 2024, with no discrepancies.
3. The employee compensation and director compensation are proposed to be distributed in cash.

No. 4

Cause: Report on the cash dividend distribution for the fiscal year 2024 surplus, respectfully submitted for your review.

Explanation:

1. Pursuant to Article 28 of the Company's Articles of Incorporation, the Board of Directors is authorized via special resolution to distribute all or part of the dividends and bonuses payable in the form of cash.
2. For 2024, the Company proposes to distribute a cash dividend of NT\$1 per share, totaling NT\$78,837,764 in cash dividends. The cash dividends are calculated and distributed based on the shareholding ratio recorded in the shareholder register as of the ex-dividend date, rounded down to the nearest whole NT dollar (fractions below NT\$1 shall be discarded). The aggregate amount of such fractional remainders is recorded as other income of the Company.
3. Please refer to page 12 for the Company's 2024 earnings distribution table.
4. If the number of outstanding shares is affected by the Company's repurchase of shares, the transfer of treasury stock to employees, or the conversion of convertible bonds to shares prior to the dividend base date and results 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.
5. The Chairperson is authorized to determine the ex-dividend base date and the payment date for the distribution of cash dividends.

No. 5

Cause: Amend the Company's "Rules of Procedure for Board of Directors Meetings," submitted for review.

Explanation: 1. Amendment in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."  
2. Please refer to pages 13-17 for the before/after amendment comparison table.

No. 6

Brief: Other reports

Note: None.

## Adoption

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

Cause: Proposal for the 2024 business report and financial statements, submitted for review.

Description: 1. The Board of Directors has prepared the 2024 Business Report, parent company only financial statements, and consolidated financial statements. The parent company only financial statements and consolidated financial statements have been audited by CPAs Cheng-Lung Hsu and Allen Kao of KPMG, who have issued an audit report. The Business Report has been submitted to the Audit Committee for review, and the review report has been issued.

2. Please refer to pages 9-10 and 18–20 of the 2024 Business Report and the 2024 financial statements, which are submitted for review.

Resolution:

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

Cause: Proposal for the 2024 Earnings Distribution, submitted for review.

Description: 1. Pursuant to Article 28-1 of the Company's Articles of Incorporation, shareholder dividends shall be allocated from distributable earnings, with cash dividends constituting no less than 10% of the total dividend amount.

2. For the Company's 2024 fiscal year, a cash dividend of NT\$1 per share and a stock dividend of NT\$2 per share are proposed. The earnings distribution table can be found on page 12, which is submitted for review.

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: In accordance with the amendment to Paragraph 6, Article 14 of the Securities and Exchange Act, the Company shall specify in its Articles of Incorporation that a certain percentage of the annual earnings shall be appropriated as salary adjustment or remuneration to the entry-level employees, and the wording shall be amended in accordance with Article 267 of the Company Act. Please refer to pages 35-38 for the before/after article amendment comparison table.

2. Submitted for referendum.

Resolution:

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

Cause: Proposal to amend the Company's "Procedures for the Acquisition and Disposal of Assets," submitted for discussion.

Explanation: 1. It is proposed to revise certain provisions of the "Operating Procedures for Asset Acquisition and Disposal" in accordance with the amendments made by the competent authority on January 28, 2022, to the "Procedures for the Acquisition and Disposal of Assets." Please refer to the before/after article

amendment comparison table on pages 39~45.

2. Submitted for referendum.

Resolution:

No. 3 (Proposed by the Board of Directors)

Cause: Proposal to amend the Company's "Operating Procedures for Loaning Funds to Others," submitted for discussion.

- Explanation:
1. It is proposed to revise certain provisions of the "Operating Procedures for Loaning Funds to Others" in accordance with the amendments to certain provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Please refer to the before/after article amendment comparison table on pages 46.
  2. Submitted for referendum.

Resolution:

No. 4 (Proposed by the Board of Directors)

Cause: Proposal to amend the Company's "Operating Procedures for Making Endorsements/Guarantees," submitted for discussion.

- Explanation:
1. It is proposed to revise certain provisions of the "Operating Procedures for Making Endorsements/Guarantees" in accordance with the amendments to certain provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Please refer to the before/after article amendment comparison table to pages 47.
  2. Submitted for referendum.

Resolution:

No. 5 (Proposed by the Board of Directors)

Cause: Proposal for the Company's 2024 surplus capital conversion and new share issuance, submitted for discussion.

- Description:
1. It is proposed to allocate NT\$157,675,530 from the distributable surplus of 2024 as a stock dividend to shareholders, which shall be converted into additional capital by issuing 15,767,553 new shares, each with a par value of NT\$10. Based on the shareholdings recorded in the shareholder register as of the new share issuance base date, shareholders will receive 200 new shares for every 1,000 shares held, free of charge. For fractional shares of less than one whole share resulting from the distribution, shareholders may, within five days from the date the stock transfer is suspended due to the ex-rights event, register with the Company's stock agency to combine such fractions into whole shares. For fractions that remain less than one share after combination or are not combined, pursuant to Article 240 of the Company Law, such fractions shall be converted into cash at par value, calculated, and rounded down to the nearest NT dollar (amounts below NT\$1 shall be discarded). The fractional shares of less than one share shall be authorized to be purchased by specific persons designated by the Chairman at par value.
  2. The Company shall deliver the distributed shares via book-entry transfer. The cash equivalent of fractional shares less than one share allocated to shareholders shall be used to cover the operational costs of the book-entry distribution/delivery process.



3. Upon approval by the shareholders' meeting and after the filing with the competent authority takes effect, the Board of Directors is authorized to separately determine the base date for issuing new shares, the distribution date, and other related matters.
4. If there is a change in the Company's share capital that affects the number of outstanding shares subsequent to the resolution of the shareholders' meeting that results in a change to the stock distribution ratio requiring adjustment, the Board of Directors is authorized to handle such matters fully in accordance with the Company Act or other relevant regulations.
5. The rights and obligations of the newly issued shares shall be identical to those of the existing shares, and the issuance shall be conducted in a non-physical form.
6. Submitted for referendum.

Resolution:

### **Extempore motions**

### **Adjournment**



## Attachment 1

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

1. The business plan implementation results

The Company's 2024 operating revenue amounted to NT\$373,927 thousand, net income after tax was NT\$814,176 thousand, and earnings per share was NT\$10.62, with a 131.21% increase in operating revenue and a 145.40% decrease in net operating income compared with 2023.

2. Budget implementation:

Not applicable as the Company did not publish a financial forecast for 2024.

3. Analysis of financial income, expense, and profitability:

(1) Financial income

Unit: NT\$ thousand

Item	2024	2023	Increase (decrease) in amount	Increase (decrease) (%)
Operating revenue	373,927	161,724	212,203	131.21%
Operating costs	330,167	152,605	177,562	116.35%
Net operating income	-73,917	-30,121	(43,796)	-145.40%
Net income of the current period	814,176	123,459	690,717	559.47%

(2) Analysis of profitability

Item	2024	2023
Return on assets	34%	9%
Return on equity	52%	13%
Operating income as a percentage of paid-in capital	-9%	-4%
Net income before tax as a percentage of paid-in capital	104%	18%
Profit margin	218%	77%
Earnings per share (NTD)	10.62	1.83

4. Research and development (R&D):

(1) New product development

In addition to existing products, we aim to develop green and environmentally friendly products. This includes producing solvent-free processed products in line with environmental requirements, utilizing recycled base fabrics, applying for international Global Recycled Standard (GRS) certification, continuously pursuing additional international quality certifications, and actively seeking on-site verification from international brands. Furthermore, we plan to develop water-based, eco-friendly high-foam polyurethane (PU) to replace wet-process-release leather. This is expected to significantly reduce solvent usage, minimize environmental pollution, save on environmental compliance costs, lower overall costs, and enhance competitiveness.

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

Pursue market expansion and extension based on existing products, strengthen vertical integration within the supply chain, engage in mergers with industry peers, increase market share, and promote resource sharing. Collaborate with businesses from different industries to develop composite eco-friendly products, jointly explore international markets, conduct

research and development to enhance product applications, and establish a foundation for the Company's sustained 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 has prepared the Company's 2024 business report, financial statements, and surplus distribution proposal. The financial statements (including parent company only financial statements and consolidated financial statements) have been audited by CPAs Chen-Lung Hsu and Allen Kao of KPMG, for whom an audit report with an unqualified opinion was issued. 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 2025 Annual General Shareholders' Meeting of Hsin-Li Chemical Industrial Corp.

Convener of the Audit Committee Hsu, Chi-Jeng

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February 27, 2025

### Attachment 3

Hsin-Li Chemical Industrial Corp.  
Earnings distribution table  
2024



Unit: NT\$

Item	Amount
Opening balance	560,906
Add: Change in remeasurement of defined benefit plans for the period	(1,023,313)
Add: Net income after tax for the period	817,156,810
Less: Provision of legal reserve	(81,613,350)
Special legal reserve set aside	(115,177)
Distributable earnings	734,965,876
Distribution:	
Shareholder dividends - cash (NT\$1.0 per share)	(78,837,764)
Shareholder dividends – stock NT\$2.0 per share)	(157,675,530)
Undistributed earnings at the end of the period	498,452,582

Chairperson: Chang, Yu-Ming



Managerial Officer: Cheng, Yu-Tang



Accounting Officer: Chen, Chien-Hung



#### Attachment 4

Before/After Article Amendment Comparison Table for the “Rules of Procedure for Board of Directors Meetings” of Hsin-Li Chemical Industrial Corp.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
Article 3	<p>The Board of Directors of the Company shall be convened once per quarter.</p> <p>The Board of Directors meeting shall be convened with a seven-day notice to the directors, specifying the reason for convening, but in case of emergency, it may be convened at any time.</p> <p>The convening notice in the preceding paragraph may be given electronically with the counterparty’s consent.</p> <p>The matters referred to in Article 12, Paragraph 1 of the rules shall be listed in the reasons for convening the meeting and shall not be proposed as an extempore motion.</p>	<p>The Board of Directors of the Company shall be convened once per quarter.</p> <p>The Board of Directors meeting shall be convened with a seven-day notice to the directors, specifying the reason for convening, but in case of emergency, it may be convened at any time.</p> <p>The convening notice in the preceding paragraph may be given electronically with the counterparty’s consent.</p> <p><u>Except during emergencies or other justifiable reasons</u>, the matters specified by the various subparagraphs of Paragraph 1, Article 12 of the rules shall be specified in the meeting notice as causes for the meeting and shall not be raised as extempore motions.</p>	<p>Deleted “unless there is an emergency or a good cause” in accordance with Paragraph 4, Article 3 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies.”</p>
Article 8.	<p>When the Company convenes a board meeting, the Finance Department shall prepare relevant information for reference by the attending directors at any time.</p> <p>When convening a board meeting, relevant personnel from departments or subsidiaries may be notified to attend, depending on the content of the agenda items.</p> <p>When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend and make explanatory statements. However, they shall leave the meeting during the discussion and voting.</p> <p>The chair of the board meeting shall call the meeting to order immediately when over half of</p>	<p>When the Company convenes a board meeting, the Finance Department shall prepare relevant information for reference by the attending directors at any time.</p> <p>When convening a board meeting, relevant personnel from departments or subsidiaries may be notified to attend, depending on the content of the agenda items.</p> <p>When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend and make explanatory statements. However, they shall leave the meeting during the discussion and voting.</p> <p>The chair of the board meeting shall call the meeting to order immediately when over half of</p>	<p>In accordance with Article 12, Paragraph 1 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies,” the “Chairperson may announce a postponement of the meeting” is clearly defined as “on the day of the meeting.”</p>

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>the directors have attended the meeting.</p> <p>If half of all directors are absent at the scheduled meeting time, <u>the chair may announce a postponement of the meeting on that day.</u> The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene according to the procedures specified in Article 3, Paragraph 2.</p> <p>All directors referred to in the preceding paragraph and Subparagraph 2, Paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.</p>	<p>the directors have attended the meeting.</p> <p>If half of all directors are absent at the scheduled meeting time, <u>the chair may announce a postponement of the meeting.</u> The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene according to the procedures specified in Article 3, Paragraph 2.</p> <p>All directors referred to in the preceding paragraph and Subparagraph 2, Paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.</p>	
Article 11	<p>The Company's board meeting shall proceed according to the agenda scheduled in the notice of the meeting, but changes may be made with the consent of over half of the directors present.</p> <p>The chair shall not declare the meeting adjourned without consent from over half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach over half of the directors present, upon the proposal of the directors present, the chair shall announce the suspension of the meeting, and the provisions of Paragraph 5 of Article 8 shall apply.</p> <p><u>Paragraph 3 of Article 7 shall apply to appoint proxies of the chair who cannot preside over the meeting or adjourn without complying with the provisions of Paragraph 2 when board meetings are in progress.</u></p>	<p>The Company's board meeting shall proceed according to the agenda scheduled in the notice of the meeting, but changes may be made with the consent of over half of the directors present.</p> <p>The chair shall not declare the meeting adjourned without consent from over half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach over half of the directors present, upon the proposal of the directors present, the chair shall announce the suspension of the meeting, and the provisions of Paragraph 5 of Article 8 shall apply.</p>	<p>In accordance with Paragraph 4, Article 13 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," provisions are established regarding the designation of a substitute to act as the chairperson of the board meeting in the event that the chairperson is unable to preside over the proceedings due to</p>

Article No.	Provisions after amendments	Provisions before amendments	Explanation
			unforeseen circumstances.
Article 12	<p>The following matters should be submitted to the Company's Board of Directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. Annual financial report.</p> <p>III. Establishing or amending the internal control system according to Article 14-1 of the Securities and Exchange Act and the evaluation of the effectiveness of the internal control system.</p> <p>IV. Establishing or amending the procedures for major financial business behaviors such as acquisition or disposal of assets, engagement in derivative transactions, capital loans, endorsements, or guarantees for others according to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance, or private placement of equity-type securities.</p> <p><u>VI. If the Board of Directors does not have regular directors, the election or dismissal of the chairperson.</u></p> <p><u>VII. The appointment or discharge of a financial, accounting, or internal audit officer.</u></p> <p><u>VIII. A donation to a related party or a major donation to a non-related party. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.</u></p> <p><u>IX. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at</u></p>	<p>The following matters should be submitted to the Company's Board of Directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. Annual financial report.</p> <p>III. Establishing or amending the internal control system according to Article 14-1 of the Securities and Exchange Act and the evaluation of the effectiveness of the internal control system.</p> <p>IV. Establishing or amending the procedures for major financial business behaviors such as acquisition or disposal of assets, engagement in derivative transactions, capital loans, endorsements, or guarantees for others according to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance, or private placement of equity-type securities.</p> <p><u>VI. The appointment or discharge of a financial, accounting, or internal audit officer.</u></p> <p><u>VII. A donation to a related party or a major donation to a non-related party. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.</u></p> <p><u>VIII. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting, board of directors meeting, or any such significant matter as may be prescribed by the competent</u></p>	<p>The content is amended in accordance with Paragraph 1 and Paragraph 5, Article 7 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."</p>



Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p><u>a shareholders' meeting, board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</u> The "related party" referred to in <u>Subparagraph 8 of the preceding paragraph</u> refers to the "related party" provided by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>The "significant donation to a non-related party" refers to a donation of NT\$100 million or more per donation or a cumulative donation of NT\$100 million or more to the same entity within one year or 1% or more of the net income of the operating income or 5% or more of the paid-in capital of the latest annual financial report audited by a CPA. (For foreign companies whose stocks have no par value or whose par value per share is not NT\$10, 5% of the paid-in capital in this item shall be calculated based on 2.5% of the shareholders' equity.)</p> <p>The term "within 1 year" in the preceding paragraph means 1 year, calculated retroactively from the date the board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend the board meeting in person. For matters submitted to the board of directors for resolution in paragraph 1, all independent directors shall attend the board meeting. If an independent director cannot attend in person, they shall appoint</p>	<p><u>authority.</u> The "related party" referred to in <u>Subparagraph 7 of the preceding paragraph</u> refers to the "related party" provided by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."</p> <p>The "significant donation to a non-related party" refers to a donation of NT\$100 million or more per donation or a cumulative donation of NT\$100 million or more to the same entity within one year or 1% or more of the net income of the operating income or 5% or more of the paid-in capital of the latest annual financial report audited by a CPA. (For foreign companies whose stocks have no par value or whose par value per share is not NT\$10, 5% of the paid-in capital in this item shall be calculated based on 2.5% of the shareholders' equity.)</p> <p>The term "within 1 year" in the preceding paragraph means 1 year, calculated retroactively from the date the board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. At least one independent director shall attend the board meeting in person. For matters submitted to the board of directors for resolution in paragraph 1, all independent directors shall attend the board meeting. If an independent director cannot attend in person, they shall appoint another independent director to attend on their behalf. If an independent director expresses any objection or reservation, it</p>	

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	another independent director to attend on their behalf. If an independent director expresses any objection or reservation, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	
Article 15	<p>If a director is interested in the agenda of the meeting or the juristic person it represents, he/she shall explain the important content of the interest in the current board meeting. They shall not participate in the discussion or vote if it harms the Company's interests. Refrain from exercising voting rights on behalf of other directors.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director or a company that has a controlling or subordinate relation with a director is an interested party concerning an agenda item as described <u>in the preceding paragraph</u>, such director shall be deemed to be an interested party concerning that agenda item.</p> <p><u>For Board Of Director resolutions, directors who are prohibited from exercising voting rights under the preceding two paragraphs shall be handled in accordance with Article 206, Paragraph 4 of the Company Act, which applies mutatis mutandis to Article 180, Paragraph 2 of the same Act.</u></p>	<p>If a director is interested in the agenda of the meeting or the juristic person it represents, he/she shall explain the important content of the interest in the current board meeting. They shall not participate in the discussion or vote if it harms the Company's interests. Refrain from exercising voting rights on behalf of other directors.</p> <p>Where the spouse or a blood relative within the second degree of kinship of a director or a company that has a controlling or subordinate relation with a director is an interested party concerning an agenda item as described, such director shall be deemed an interested party concerning that agenda item.</p> <p><u>For Board Of Director resolutions, directors who are prohibited from exercising voting rights under the preceding paragraph shall be handled in accordance with Article 206, Paragraph 2 of the Company Act, which applies mutatis mutandis to Article 180, Paragraph 2 of the same Act.</u></p>	The content is amended in accordance with Paragraph 2, Article 16 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies"

## **Attachment 5**

### **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. for the years ended December 31, 2024 and 2023 and the relevant statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, and the notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the parent company only 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. They fairly present the financial position of Hsin-Li Group as of December 31, 2024, and 2023, as well as the financial performance and cash flows for the periods from January 1 to December 31, 2024 and 2023, 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. The responsibilities of the attesting CPAs under these standards will be further explained in the auditor's responsibility section of the audit of the financial statements. 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 items refer to the items that, in the professional judgment of the accountant, are the most important in the audit of the individual financial statements of Hsin-Li Chemical Industrial Corp. for the year 2024. These matters were addressed in the context of our audit of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. The key audit matters we identified that should be communicated in the audit report are as follows:

Valuation of inventory obsolescence losses

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

Details of key audit matters:

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, leading to inventory obsolescence and posing the risk that the cost of current inventory may exceed its net realizable value. Therefore, current inventory obsolescence valuation is one of our key audit matters for the financial statements of Hsinli Chemical Industrial Corp.

Corresponding audit procedures:

The accountant's main audit procedures for the above-mentioned key audit matters include: Understanding the inventory obsolescence valuation policy adopted by management and comparing with the actual status of the obsolete inventory in the past to evaluate the accuracy of the estimates that management made in the past; obtaining inventory aging reports, selecting samples to check against inventory change documents, and testing the accuracy of inventory aging calculation; recalculating inventory allowance and obsolescence losses based on the appropriation ratio of obsolescence applicable to inventory aging ranges; evaluating whether the Company's disclosure of information related to the inventory allowance loss appropriate.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors.

Misstatements in the parent company only financial statements can arise from either fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial

statements.

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. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the relevant notes) and whether the parent company only financial statements allow the expression of 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 parent company only 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 parent company only financial statements for the year ended December 31, 2024. 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:

Competent Securities	Jin-Guan-Zheng-VI No.
Authority Approval	: 0960069825
Document No.	Financial Management Certificate
	Audit Zi No. 1130332775
Date: February 27, 2025	

Hsin-Li Chemical Industrial Corp.

Balance Sheets

For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

Assets		2024.12.31		2023.12.31		Liabilities and Equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets						Current liabilities:					
1100	Cash and cash equivalents (Notes 6(1))	\$ 78,818	3	31,447	2	2100	Short-term borrowings (Notes 6(10) and 8)	\$ 515,000	20	110,000	7
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and 8)	822,120	31	297,594	19	2110	Short-term notes and bills payable (Notes 6(10))	49,973	2	49,988	3
1136	Financial assets measured at amortized cost - current (Notes 6(1))	-	-	14,190	1	2120	Financial liabilities at fair value through profit or loss - current (Notes (2) and (11))	-	-	1,800	-
1150	Notes receivable, net (Notes 6(3) and (19))	1,673	-	1,934	-	2130	Contract liabilities - current (Notes 6(19))	23	-	700	-
1170	Net accounts receivable (Notes 6(3), (19) and 7)	30,638	1	22,369	2	2170	Notes payable and accounts payable (Note 7)	12,095	-	12,578	1
1200	Other receivables (Notes 6(4))	590	-	5,168	-	2200	Other payables (Note 7)	62,443	3	19,051	1
1220	Current income tax assets	491	-	431	-	2230	Current tax liabilities	5,331	-	-	-
130X	Inventories (Notes 6(5))	23,181	1	28,660	2	2280	Lease liabilities - current (Note 6(13))	789	-	395	-
1470	Other current assets	4,649	-	3,950	-	2321	Bonds payable, current portion (Note 6(11))	-	-	292,626	19
1476	Other financial assets - current (Notes 6(1) and 8)	800	-	800	-	2322	Long-term borrowings-current portion (Notes 6(12) and 8)	9,000	-	22,944	2
Total current assets		962,960	36	406,543	26	2399	Other current liabilities	2,190	-	2,174	-
Non-current assets:						Total current liabilities		656,844	25	512,256	33
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2) and 8)	382,809	14	352,833	23	Non-current liabilities:					
1517	Non-current financial assets at fair value through profit or loss (Note 6(2))	926	-	926	-	2540	Non-current portion of non-current borrowings (Notes 6(12) and 8)	-	-	49,024	3
1550	Investment using the equity method (Notes 6(6))	550,749	21	-	-	2570	Deferred tax liabilities (Notes 6(16))	31,575	1	31,915	2
1600	Property, plant and equipment (Notes 6(7) and 8)	617,858	23	637,095	41	2580	Lease liabilities - non-current (Notes 6(13))	1,065	-	199	-
1755	Right-of-use assets (Notes 6(8))	1,837	-	581	-	2645	Guarantee deposits received	2,674	-	2,575	-
1760	Investment property, net (Notes 6(9) and 8)	146,505	6	149,192	10	Total non-current liabilities		35,314	1	83,713	5
1840	Deferred tax assets (Notes 6(16))	572	-	633	-	Total liabilities		692,158	26	595,969	38
1900	Other non-current assets (Notes 6(9) and (15))	978	-	1,003	-	Equity (Note 6(11)and (17))					
1920	Guarantee deposits paid	60	-	502	-	3100	Share capital	788,378	30	675,000	44
Total non-current assets		1,702,294	64	1,142,765	74	3200	Capital surplus	191,457	7	9,252	1
Total assets		\$ 2,665,254	100	1,549,308	100		Retained earnings:				
						3310	Legal reserve	176,682	6	166,420	11
						3350	Undistributed earnings	816,694	31	102,622	6
								993,376	37	269,042	17
						3400	Other equity	(115)	-	45	-
						Total equity		1,973,096	74	953,339	62
						Total liabilities and equity		\$ 2,665,254	100	1,549,308	100

(See Notes to the Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting supervisor: Chen, Chien-Hung

**Hsin-Li Chemical Industrial Corp.**  
**Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousand

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(19) and 7)	\$ 197,076	100	161,724	100
5000	Operating costs (Notes 6(5), (15), (20) and 7)	167,706	85	152,605	94
5900	Gross profit	29,370	15	9,119	6
	Operating expenses (Notes 6(13), (15), (20) and 7):				
6100	Marketing expenses	6,804	3	7,187	4
6200	Management fees	79,187	40	28,887	18
6300	Research and development expenses	4,293	2	3,166	2
	Total operating expenses	90,284	45	39,240	24
	Net operating profit (loss)	(60,914)	(30)	(30,121)	(18)
	Non-operating income and expenses (Notes 6(10), (13) and (21)):				
7100	Interest revenue	1,130	1	976	1
7010	Other income	20,120	10	21,691	13
7020	Other gains and losses	876,494	445	142,948	88
7050	Financial cost	(7,746)	(4)	(10,800)	(7)
7060	The share of profits and losses of subsidiaries recognized by the equity method	(6,848)	(3)	-	-
	Total non-operating revenue and expenditure	883,150	449	154,815	95
7900	Net income before tax	822,236	419	124,694	77
7950	Less: Income tax expense (Notes 6(16))	5,079	3	1,235	1
8200	Net income of the current period	817,157	416	123,459	76
8300	Other comprehensive income Notes 6(2) and (16))				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	-	-	375	-
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	-	-	327	-
8330	Share of other comprehensive income in subsidiaries recognized under equity method	(1,279)	-	-	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(256)	-	75	-
	Items not reclassified to profit or loss	(1,023)	-	627	-
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income in subsidiaries recognized under equity method	(200)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(40)	-	-	-
	Items that may be reclassified subsequently to profit or loss	(160)	-	-	-
8300	Other comprehensive income for this period (net of tax)	(1,183)	-	627	-
8500	Total comprehensive income for the period	\$ 815,974	416	124,086	76
	Earnings per share (Unit: NT\$) (Note 6(18))				
9750	Basic earnings per share	\$ 10.62		1.83	
9850	Diluted earnings per share	\$ 10.33		1.60	

(See Notes to the Parent Company Only Financial Statements)

**Chairman:**  
**Chang, Yu-Ming**

**Manager:**  
**Cheng, Yu-Tang**

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



**Hsin-Li Chemical Industrial Corp.**  
**Statements of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

**Unit: NT\$ thousand**

	Retained earnings				Other equity items	
					Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (losses to be covered)		
Balance as of January 1, 2023	\$ 675,000	9,252	166,420	(21,464)	45	829,253
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)	-
Balance as of December 31, 2023	675,000	9,252	166,420	102,622	45	953,339
Net income for this period	-	-	-	817,157	-	817,157
Other comprehensive income for this period	-	-	-	(1,023)	(160)	(1,183)
Total comprehensive income for this period	-	-	-	816,134	(160)	815,974
Earnings appropriation and distribution:						
Appropriation for legal reserve	-	-	10,262	(10,262)	-	-
Cash dividends from ordinary shares	-	-	-	(91,800)	-	(91,800)
Total earnings appropriation and distribution	-	-	10,262	(102,062)	-	(91,800)
Convertible corporate bonds	113,378	182,205	-	-	-	295,583
Balance as of December 31, 2024	\$ 788,378	191,457	176,682	816,694	(115)	1,973,096

(See Notes to the Parent Company Only Financial Statements)

**Chairman: Chang, Yu-Ming**

**Manager: Cheng, Yu-Tang**

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

# Hsin-Li Chemical Industrial Corp.

## Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

	2024	2023
<b>Cash flow from operating activities:</b>		
Profit before tax for this period	\$ 822,236	124,694
<b>Adjustment items:</b>		
Income and expenses		
Depreciation expenses	22,033	24,314
Amortization expenses	-	97
Net gain on financial assets and liabilities at fair value through profit or loss	(875,223)	(142,857)
Interest expenses	7,746	10,800
Interest revenue	(1,130)	(976)
Dividend income	(13,689)	(9,529)
The share of losses of subsidiaries recognized by the equity method	6,848	-
Gains on disposals of property, plant and equipment	(418)	(101)
Unrealized foreign exchange loss (gain)	(101)	195
Total income and expenses	(853,934)	(118,057)
Movements in assets/liabilities related to operating activities:		
Decrease in notes receivable	261	9,203
Increase (decrease) in accounts receivable	(8,269)	15,020
Decrease (increase) in other receivables	4,557	(4,537)
Decrease in inventories	5,479	11,916
Increase in net defined benefit assets	-	(161)
Decrease (increase) of other current assets	(699)	3,287
Increase (decrease) in contract liabilities	(677)	488
Decrease in notes payable and accounts payable	(483)	(5,424)
Increase (decrease) of other payables	42,472	(1,754)
Increase (decrease) in other current liabilities	16	(1)
Decrease in net defined benefit liabilities	-	(2,980)
Total adjustment items	(811,277)	(93,000)
Cash inflow from operations	10,959	31,694
Interest received	1,151	964
Dividends received	13,689	9,529
Interest paid	(5,404)	(5,515)
Income tax paid	(87)	(2,077)
<b>Net cash inflow from operating activities</b>	<b>20,308</b>	<b>34,595</b>
<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)
Dispose of financial assets measured at amortized cost	14,190	-
Acquisition of financial assets at fair value through profit or loss	(77,289)	(144,137)
Proceeds from disposal of financial assets at fair value through profit or loss	397,871	129,247
Acquisition of investment using the equity method	(558,780)	-
Acquisition of property, plant and equipment	(648)	(26,709)
Proceeds from disposal of property, plant and equipment	1,640	180
Decrease in guarantee deposits paid	442	1,283
Acquisition of investment property	(217)	(55,757)
Decrease of other non-current assets	25	794
<b>Net cash outflow from investing activities</b>	<b>(222,766)</b>	<b>(101,085)</b>
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	969,600	395,090
Decrease in short-term borrowings	(564,600)	(465,000)
Increase (decrease) in short-term notes and bills payable	(15)	49,988
Long-term borrowings	-	49,500
Repayment of long-term borrowings	(62,968)	(20,532)
Increase in guarantee deposits received	99	3
Lease principal repayment	(588)	(528)
Cash dividends paid out	(91,800)	-
<b>Net cash inflow from financing activities</b>	<b>249,728</b>	<b>8,521</b>
Effect of exchange rate changes on cash and cash equivalents	101	(22)
Increase (decrease) in cash and cash equivalents in the current period	47,371	(57,991)
Opening balance of cash and cash equivalents	31,447	89,438
Ending balance of cash and cash equivalents	<b>\$ 78,818</b>	<b>31,447</b>

(See Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming Manager: Cheng, Yu-Tang

Accounting supervisor:  
Chen, Chien-Hung

## Attachment 6

### Independent Auditors' Report

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

#### **Audit opinion**

We have audited the accompanying consolidated statement of balance sheets of Hsin-Li Chemical Industrial Corp. and subsidiaries (the "Hsin-Li Group") for the years ended December 31, 2024 and 2023, and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, and the notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinions, the consolidated 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 Group as of December 31, 2024, and 2023, as well as the financial performance and cash flows for the periods from January 1 to December 31, 2024, and 2023, 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. The accountant's responsibilities under these standards will be further explained in the section of the accountant's responsibilities for checking consolidated financial statements. The staff of the accounting firm subject to the independence code have maintained their independence from Hsin-Li Group in accordance with the code of professional ethics for accountants and performed other responsibilities under the code. 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 are those matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Hsin-Li Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of Hsin-Li Group as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. The key audit matters we identified that should be communicated in the audit report are as follows:

Valuation of inventory obsolescence losses

Please refer to Note 4(8) to the consolidated financial statements for the accounting policy on current inventory; Note 5 thereto for the accounting estimates and assumption uncertainties of current inventory valuation; Note 6(5) thereto for relevant disclosures of inventory valuation losses.

Details of key audit matters:

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, leading to inventory obsolescence and posing the risk that the cost of current inventory may exceed its net realizable value. Therefore, current inventory obsolescence valuation is one of the key audit for our auditors in their audit of the financial statements of Hsin-Li Group.

Corresponding audit procedures:

The accountant's main audit procedures for the above-mentioned key audit matters include: Understanding the inventory obsolescence valuation policy adopted by management and comparing it with the historical obsolete inventory data to evaluate the accuracy of the estimates that the management made in the past; obtaining inventory aging reports, selecting samples to check against inventory change documents, and testing the accuracy of inventory aging calculations; recalculating inventory allowance and obsolescence losses based on the appropriation ratio of obsolescence applicable to inventory aging ranges; evaluating whether the Company's disclosure of information related to the inventory allowance loss is appropriate.

#### **Other matters**

Hsin-Li Chemical Industrial Corp. has prepared the parent company only financial statements for the years ended 2024 and 2023, on which we have issued an independent auditors' report with an unqualified opinion for reference.

#### **The responsibility of the management level and the governing unit for consolidated financial statements**

It is the responsibility of management to prepare consolidated financial statements as may be expressed in accordance with the financial reporting standards of securities issuers and international Financial Reporting Standards, international accounting standards, interpretations and explanatory notices approved and issued by the Financial Supervisory Commission, and to maintain the necessary internal control related to the preparation of consolidated financial statements, To ensure that the consolidated financial statements are free from material misrepresentation due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing Hsin-Li Group's ability to continue as a going concern, disclosure of relevant matters, and the adoption of a going concern accounting basis, unless management intends to liquidate Hsin-Li Group, or to cease business, or there is no practical alternative to liquidation or cessation of business.

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing Hsin-Li Group's financial reporting process.

#### **CPA's responsibility for checking consolidated financial statements**

The purpose of the accountant's examination of the consolidated financial statements is to obtain reasonable confidence as to whether there is any material misrepresentation due to fraud or error in the consolidated financial statements as a whole, and to issue an inspection report. Reasonable confidence is a high degree of confidence, but there is no guarantee that an audit conducted in accordance with the audit standards will detect material misrepresentations in consolidated financial statements. Misstatement may arise from frauds or errors. Misrepresented individual amounts or aggregate amounts are considered material if they can reasonably be expected to influence economic decisions made by users of consolidated financial statements.

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. Identify and assess the risk of material misrepresentation due to fraud or error in consolidated financial statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate inspection evidence to form a basis for the inspection 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. To obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Hsin-Li Group.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Based on the examined evidence obtained, draw a conclusion as to the appropriateness of management's use of a going concern accounting basis and whether there is material uncertainty in events or circumstances that may cast material doubt on Hsin-Li Group's ability to continue as a going concern. If the accountant considers that there is material uncertainty in such events or circumstances, it shall remind users of the consolidated financial statements in the audit report to pay attention to the relevant disclosures of the consolidated financial statements or revise the audit opinion if such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause Hsin-Li Group to no longer be able to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements allow the expression of relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within Hsin-Li Group to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit of Hsin-Li Group. We are also responsible for forming an audit opinion on Hsin-Li Group.

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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of Hsin-Li Group or the year ended December 31, 2024 and are therefore the key audit matters. 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:

Competent Securities	Jin-Guan-Zheng-VI No. 0960069825
Authority Approval	: Financial Management Certificate
Document No.	Audit Zi No. 1130332775
Date: February 27, 2025	

**Hsin-Li Chemical Industrial Corp. and subsidiaries**  
**Consolidated Balance Sheet**  
**For the Years Ended December 31, 2024 and 2023**

**Unit: NT\$ thousand**

Assets		2024.12.31		2023.12.31		Liabilities and Equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Notes 6(1))	\$ 143,398	4	31,447	2	2100	Short-term borrowings (Notes 6(12) and 8)	\$ 653,233	20	110,000	7
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and 8)	822,120	25	297,594	19	2110	Short-term notes and bills payable (Notes 6(12))	49,973	2	49,988	3
1136	Financial assets measured at amortized cost - current (Notes 6(1))	47,860	1	14,190	1	2120	Financial liabilities at fair value through profit or loss - current (Notes 6(2) and (13))	-	-	1,800	-
1150	Notes receivable, net (Notes 6(3) and (21))	1,827	-	1,934	-						
1170	Net accounts receivable (Notes 6(3), (21) and 7)	116,286	4	22,369	2	2130	Contract liabilities - current (Notes 6(21))	23	-	700	-
1200	Other receivables (Notes 6(4))	1,161	-	5,168	-	2170	Notes payable and accounts payable (Note 7)	106,173	3	12,578	1
1220	Current income tax assets	832	-	431	-	2200	Other payables (Note 7)	107,828	3	19,051	1
130X	Inventories (Notes 6(5))	261,266	8	28,660	2	2230	Current tax liabilities	5,331	-	-	-
1470	Other current assets	9,027	-	3,950	-	2280	Lease liabilities - current (Notes 6(15))	7,306	-	395	-
1476	Other financial assets - current (Notes 6(1) and 8)	29,906	1	800	-	2321	Bonds payable, current portion (Note (13))	-	-	292,626	19
	<b>Total current assets</b>	<u>1,433,683</u>	<u>43</u>	<u>406,543</u>	<u>26</u>	2322	Long-term borrowings-current portion (Notes 6(14) and 8)	36,118	1	22,944	2
<b>Non-current assets:</b>						2399	Other current liabilities	4,258	-	2,174	-
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2) and 8)	382,809	12	352,833	23		<b>Total current liabilities</b>	<u>970,243</u>	<u>29</u>	<u>512,256</u>	<u>33</u>
1517	Non-current financial assets at fair value through profit or loss (Note 6(2))	11,244	-	926	-		<b>Non-current liabilities</b>				
						2540	Long-term borrowings (Notes 6(14) and 8)	42,176	1	49,024	3
1600	Property, plant and equipment (Notes 6(8) and 8)	1,131,366	34	637,095	41	2570	Deferred income tax liabilities (Notes 6(18))	32,947	1	31,915	2
1755	Right-of-use assets (Notes 6(9))	83,607	3	581	-	2580	Lease liabilities - non-current (Notes 6(15))	87,930	3	199	-
1760	Investment property, net (Notes 6(10) and 8)	146,505	5	149,192	10	2645	Guarantee deposits received	2,904	-	2,575	-
1780	Intangible assets (Notes 6(6) and (11))	92,422	3	-	-		<b>Total non-current liabilities</b>	<u>165,957</u>	<u>5</u>	<u>83,713</u>	<u>5</u>
1840	Deferred income tax assets (Notes 6(18))	12,124	-	633	-		<b>Total liabilities</b>	<u>1,136,200</u>	<u>34</u>	<u>595,969</u>	<u>38</u>
1900	Other non-current assets (Notes 6(10) and (17))	14,651	-	1,003	-		<b>Equity attributable to owners of parent company (Notes 6(2), (13) and (19))</b>				
1920	Guarantee deposits paid	412	-	502	-	3100	Share capital	788,378	24	675,000	44
	<b>Total non-current assets</b>	<u>1,875,140</u>	<u>57</u>	<u>1,142,765</u>	<u>74</u>	3200	Capital surplus	191,457	6	9,252	1
	<b>Total assets</b>	<u>\$ 3,308,823</u>	<u>100</u>	<u>1,549,308</u>	<u>100</u>		Retained earnings:				
						3310	Legal reserve	176,682	5	166,420	11
						3350	Undistributed earnings	816,694	25	102,622	6
								993,376	30	269,042	17
						3400	Other equity	(115)	-	45	-
							<b>Total equity attributable to owners of parent company</b>	<u>1,973,096</u>	<u>60</u>	<u>953,339</u>	<u>62</u>
							<b>Non-controlling interests (Note 6(6) and (7)):</b>				
						36XX	Non-controlling interests	199,527	6	-	-
							<b>Total equity</b>	<u>2,172,623</u>	<u>66</u>	<u>953,339</u>	<u>62</u>
							<b>Total liabilities and equity</b>	<u>\$ 3,308,823</u>	<u>100</u>	<u>1,549,308</u>	<u>100</u>

(See Notes to the Consolidated Financial Statements)

Chairman: Chang, Yu-Ming

Manager: Cheng, Yu-Tang

Accounting supervisor: Chen, Chien-Hung

**Hsin-Li Chemical Industrial Corp. and subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousand

		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6(21) and 7)</b>	\$ 373,927	100	161,724	100
5000	<b>Operating costs (Notes 6(5), (17), (22), and 7)</b>	330,167	88	152,605	94
5900	<b>Gross profit</b>	43,760	12	9,119	6
	<b>Operating expenses (Notes 6(3), (15), (17), (22) and 7) :</b>				
6100	Marketing expenses	21,213	5	7,187	4
6200	Management fees	88,439	24	28,887	18
6300	Research and development expenses	8,605	2	3,166	2
6450	Gain on expected credit impairment losses	(580)	-	-	-
	<b>Total operating expenses</b>	117,677	31	39,240	24
	<b>Net operating profit (loss)</b>	(73,917)	(19)	(30,121)	(18)
	<b>Non-operating income and expenses (Notes 6(13), (15) and (23))</b>				
7100	Interest revenue	2,515	1	976	1
7010	Other income	21,106	5	21,691	13
7020	Other gains and losses	881,372	235	142,948	88
7050	Financial cost	(8,525)	(2)	(10,800)	(7)
	<b>Total non-operating revenue and expenditure</b>	896,468	239	154,815	95
7900	<b>Net income before tax</b>	822,551	220	124,694	77
7950	<b>Less: Income tax expense (Notes 6(18))</b>	8,375	2	1,235	1
8200	<b>Net income of the current period</b>	814,176	218	123,459	76
8300	<b>Other comprehensive income (Notes 6(2) and (18))</b>				
8310	<b>Items not reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans	(1,836)	-	375	-
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	-	-	327	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(367)	-	75	-
	<b>Items not reclassified to profit or loss</b>	(1,469)	-	627	-

(See Notes to the Consolidated Financial Statements)

**Chairman:**  
**Chang, Yu-Ming**

**Manager:**  
**Cheng, Yu-Tang**

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



**Hsin-Li Chemical Industrial Corp. and subsidiaries**  
**Consolidated Statement of Comprehensive Income (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

**Unit: NT\$ thousand**

8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8367	Unrealized evaluation gains and losses on debt instrument investments measured at fair value through other comprehensive gains and losses	(286)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(57)	-	-	-
	<b>Items that may be reclassified subsequently to profit or loss</b>	(229)	-	-	-
8300	<b>Other comprehensive income for this period (net of tax)</b>	(1,698)	-	627	-
8500	<b>Total comprehensive income for the period</b>	<b>\$ 812,478</b>	<b>218</b>	<b>124,086</b>	<b>76</b>
	<b>Net income (loss) for the period attributable to:</b>				
8610	Owner of the parent company	\$ 817,157	219	123,459	76
8620	Non-controlling interests	(2,981)	(1)	-	-
		<b>\$ 814,176</b>	<b>218</b>	<b>123,459</b>	<b>76</b>
	<b>Total consolidated profit or loss is attributable to:</b>				
8710	Owner of the parent company	\$ 815,974	219	124,086	76
8720	Non-controlling interests	(3,496)	(1)	-	-
		<b>\$ 812,478</b>	<b>218</b>	<b>124,086</b>	<b>76</b>
	<b>Earnings per share (Unit: NT\$) (Note 6(20))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 10.62</b>			<b>1.83</b>
9850	<b>Diluted earnings per share</b>	<b>\$ 10.33</b>			<b>1.60</b>

(See Notes to the Consolidated Financial Statements)

**Chairman:**  
**Chang, Yu-Ming**

**Manager:**  
**Cheng, Yu-Tang**

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

**Hsin-Li Chemical Industrial Corp. and subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

**Unit: NT\$ thousand**

	Retained earnings				Other equity items				
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (losses to be covered)	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent company	Non-controlling interests	Total equity	
Balance as of January 1, 2023	\$ 675,000	9,252	166,420	(21,464)	45	829,253	-	829,253	
Net income of the current period	-	-	-	123,459	-	123,459	-	123,459	
Other comprehensive income for this period	-	-	-	300	327	627	-	627	
Total comprehensive income for the period	-	-	-	123,759	327	124,086	-	124,086	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	327	(327)	-	-	-	
Balance as of December 31, 2023	675,000	9,252	166,420	102,622	45	953,339	-	953,339	
Net income of the current period	-	-	-	817,157	-	817,157	(2,981)	814,176	
Other comprehensive income for this period	-	-	-	(1,023)	(160)	(1,183)	(515)	(1,698)	
Total comprehensive income for the period	-	-	-	816,134	(160)	815,974	(3,496)	812,478	
Earnings appropriation and distribution:									
Appropriation for legal reserve	-	-	10,262	(10,262)	-	-	-	-	
Cash dividends from ordinary shares	-	-	-	(91,800)	-	(91,800)	-	(91,800)	
Total earnings appropriation and distribution	-	-	10,262	(102,062)	-	(91,800)	-	(91,800)	
Convertible corporate bonds	113,378	182,205	-	-	-	295,583	-	295,583	
Acquisition through business combination	-	-	-	-	-	-	203,023	203,023	
Balance as of December 31, 2024	\$ 788,378	191,457	176,682	816,694	(115)	1,973,096	199,527	2,172,623	

(See Notes to the Consolidated Financial Statements)

**Chairman: Chang, Yu-Ming**

**Manager: Cheng, Yu-Tang**

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

# Hsin-Li Chemical Industrial Corp. and subsidiaries

## Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

	2024	2023
<b>Cash flow from operating activities:</b>		
Profit before tax for this period	\$ 822,551	124,694
<b>Adjustment items:</b>		
Income and expenses		
Depreciation expenses	30,561	24,314
Amortization expenses	-	97
Gain on expected credit impairment losses	(580)	-
Net gain on financial assets and liabilities at fair value through profit or loss	(875,190)	(142,857)
Interest expenses	8,525	10,800
Interest revenue	(2,515)	(976)
Dividend income	(13,689)	(9,529)
Gains on disposals of property, plant and equipment	(419)	(101)
Unrealized foreign exchange loss (gain)	(5,522)	195
Total income and expenses	(858,829)	(118,057)
Movements in assets/liabilities related to operating activities:		
Decrease in notes receivable	668	9,203
Decrease in accounts receivable	66,769	15,020
Decrease (increase) in other receivables	10,564	(4,537)
Decrease in inventories	18,166	11,916
Increase in net defined benefit assets	(3,669)	(161)
Decrease of other current assets	1,905	3,287
Increase (decrease) in contract liabilities	(677)	488
Decrease in notes payable and accounts payable	(76,618)	(5,424)
Increase (decrease) of other payables	45,802	(1,754)
Increase (decrease) in other current liabilities	836	(1)
Decrease in net defined benefit liabilities	-	(2,980)
Total adjustment items	(795,083)	(93,000)
Cash inflow from operations	27,468	31,694
Interest received	2,481	964
Dividends received	13,689	9,529
Interest paid	(6,183)	(5,515)
Income tax paid	(87)	(2,077)
<b>Net cash inflow from operating activities</b>	<b>37,368</b>	<b>34,595</b>
<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)
Dispose of financial assets measured at amortized cost	16,088	-
Acquisition of financial assets at fair value through profit or loss	(77,289)	(144,137)
Proceeds from disposal of financial assets at fair value through profit or loss	397,871	129,247
Acquisition of subsidiaries (less the cash received)	(465,896)	-
Acquisition of property, plant and equipment	(5,310)	(26,709)
Proceeds from disposal of property, plant and equipment	1,665	180
Decrease in guarantee deposits paid	442	1,283
Acquisition of investment property	(217)	(55,757)
Decrease in other financial assets	553	-
Decrease of other non-current assets	1,774	794
<b>Net cash outflow from investing activities</b>	<b>(130,319)</b>	<b>(101,085)</b>
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	979,243	395,090
Decrease in short-term borrowings	(604,648)	(465,000)
Increase (decrease) in short-term notes and bills payable	(15)	49,988
Long-term borrowings	-	49,500
Repayment of long-term borrowings	(75,674)	(20,532)
Increase in guarantee deposits received	99	3
Lease principal repayment	(2,528)	(528)
Cash dividends paid out	(91,800)	-
<b>Net cash inflow from financing activities</b>	<b>204,677</b>	<b>8,521</b>
Effect of exchange rate changes on cash and cash equivalents	225	(22)
Increase (decrease) in cash and cash equivalents in the current period	111,951	(57,991)
Opening balance of cash and cash equivalents	31,447	89,438
Ending balance of cash and cash equivalents	<b>\$ 143,398</b>	<b>31,447</b>

(See Notes to Consolidated Financial Statements)

Chairman: Chang, Yu-Ming Manager: Cheng, Yu-Tang

Accounting supervisor:  
Chen, Chien-Hung

## Attachment 7

### 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	Explanation
Article 7-1	<u>In accordance with the Company Act, when the Company repurchases treasury shares for transfer to employees, reserves shares for employee subscription during the issuance of new shares, or issues employee stock option certificates or restricted stock awards for employees, the recipients of such transfers, subscriptions, and issuances may include employees of controlled or subordinate companies who meet certain conditions. The specific conditions are authorized to be determined by the Board Of Directors.</u>	None	Article 7-1 is added in accordance with the future development of the Company.
Article 11	<u>Changes to the shareholder register may not be</u> within sixty days prior to the date of a regular shareholders’ meeting, within thirty days prior to the date of an extempore shareholders’ meeting, <u>or</u> five days prior to the record date set by the Company for the distribution of dividends, bonuses, or other benefits.	<u>During each fiscal year, share transfers shall be suspended</u> within sixty days prior to the date of a regular shareholders’ meeting, within thirty days prior to the date of an extempore shareholders’ meeting, <u>and</u> five days prior to the record date set by the Company for the distribution of dividends, bonuses, or other benefits.	Text revision
Article 19	Unless otherwise stipulated by the Company <b>Act</b> , 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 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	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 that director a written proxy stating the	Text revision

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	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.	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 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 accordance with Article 240 of the Company Act, the Board of Directors of the Company is 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	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 accordance with Article 240 of the Company Act, the Board of Directors of the Company is authorized to distribute dividends and bonuses, or	Amended in accordance with the Company's policies.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>Directors' meeting, and report the distribution proposal to the shareholders' meeting, notwithstanding the foregoing requirement of a resolution of the shareholders' meeting. <u>If the Company achieves a profit in a given year</u>, the Company shall allocate between <u>1% and 10% of the remaining balance as employee compensation (of which no less than 10% of the said allocation shall be distributed as compensation to grassroots employees)</u> after offsetting accumulated losses based on the profit status of that year to incentivize employees and the management team. The compensation for directors shall not exceed 5%. Employee profit-sharing remuneration <u>shall be</u> 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>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. The Company shall allocate between <u>2% and 5%</u> of the remaining balance as employee compensation after offsetting accumulated losses based on the profit status of that year to incentivize employees and the management team. The compensation for directors shall not exceed 5%. 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. At least <u>10%</u> of the current year's <u>newly available</u></p>	<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</p>	<p>Amended in accordance with the Company's policies.</p>

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>distributable earnings shall be allocated as shareholder dividends, 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.</p> <p>Dividends may be distributed in the form of stock or cash, of which cash dividends may not be less than 10% of <u>the total dividends for that year</u>.</p>	<p>long-term financial planning. At least <u>30%</u> of <u>the current year's</u> distributable earnings shall be allocated as shareholder dividends, 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 <u>dividends</u>.</p>	
Article 30	<p>The Articles of Incorporation were formulated on June 5, 1973. The 1st amendment was made on March 4, 1980, ..., the 30th amendment was made on June 30, 2022, the 31st amendment was made on May 27, 2024, <u>the 32nd amendment was made on May 23, 2025</u>.</p>	<p>The Articles of Incorporation were formulated on June 5, 1973. The 1st amendment was made on March 4, 1980, ..., the 30th amendment was made on June 30, 2022, and the 31st amendment was made on May 27, 2024 ...</p>	<p>The date of amendment was added.</p>

## Attachment 8

Before/After Article Amendment Comparison Table for the “Procedures Governing the Acquisition and Disposal of Assets” of Hsin-Li Chemical Industrial Corp.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
Article 9	<p>Except for transactions with domestic government agencies, engaging others to build on the Company’s own land, or engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets for business use, if the transaction amount reaches 20% of the Company’s paid-in capital or exceeds NT\$300 million, the Company shall obtain an appraisal report from a professional appraiser before the transaction date. The appraisal report must meet the following criteria:</p> <p>I. If, due to special reasons, a limited price, specific price, or special price needs to be used as a reference basis for the transaction price, the transaction shall first be approved by the board of directors. The same process applies if there are subsequent changes to the transaction conditions.</p> <p>II. For transactions with a value exceeding NT\$1 billion, at least two professional appraisers shall provide an appraisal.</p> <p>III. If the appraisal results from the professional appraisers fall into one of the following situations, except when the appraisal results for acquiring assets are consistently higher than the transaction amount, or the appraisal results for disposing of assets are consistently lower than the transaction amount, a CPA shall be consulted to provide specific opinions on the reasons for the</p>	<p>Except for transactions with domestic government agencies, engaging others to build on the Company’s own land, or engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets for business use, if the transaction amount reaches 20% of the Company’s paid-in capital or exceeds NT\$300 million, the Company shall obtain an appraisal report from a professional appraiser before the transaction date. The appraisal report must meet the following criteria:</p> <p>I. If, due to special reasons, a limited price, specific price, or special price needs to be used as a reference basis for the transaction price, the transaction shall first be approved by the board of directors. The same process applies if there are subsequent changes to the transaction conditions.</p> <p>II. For transactions with a value exceeding NT\$1 billion, at least two professional appraisers shall provide an appraisal.</p> <p>III. If the valuation results from a professional appraiser fall under any of the following circumstances—except where the valuation results for acquired assets are all higher than the transaction amount, or the valuation results for disposed assets are all lower than the transaction amount—the Company shall engage a CPA to handle the matter in <u>accordance with the provisions of Auditing</u></p>	<p>In accordance with the partial amendments issued by the Securities and Futures Bureau of the FSC on January 28, 2022.</p>



Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>discrepancies and the reasonableness of the transaction price:</p> <p>(I) The difference between the appraisal results and the transaction amount exceeds 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results from two or more professional appraisers exceeds 10% of the transaction amount.</p> <p>IV. The date the professional appraiser issues the report shall not exceed three months from the contract's establishment date. However, the original professional appraiser may issue an opinion letter if it applies to the same period's publicly announced current value and does not exceed 6 months.</p>	<p><u>Standard No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the "ARDF")</u>. The CPA shall also provide a specific opinion on the reasons for the discrepancy and the fairness of the transaction price:</p> <p>(I) The difference between the appraisal results and the transaction amount exceeds 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results from two or more professional appraisers exceeds 10% of the transaction amount.</p> <p>IV. The date the professional appraiser issues the report shall not exceed three months from the contract's establishment date. However, the original professional appraiser may issue an opinion letter if it applies to the same period's publicly announced current value and does not exceed 6 months.</p>	
Article 10	<p>When the Company acquires or disposes of securities, it shall obtain the latest financial statements of the target company audited or reviewed by a CPA before the transaction date as a reference for evaluating the transaction price. In addition, for transactions equal to or exceeding 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult with a CPA on the reasonableness of the transaction price before the transaction date. However, the foregoing shall not apply to securities with active market quotations or to which the Financial Supervisory Commission (hereinafter "FSC") has other regulations.</p>	<p>When the Company acquires or disposes of securities, it shall obtain the latest financial statements of the target company audited or reviewed by a CPA before the transaction date as a reference for evaluating the transaction price. In addition, for transactions equal to or exceeding 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult with a CPA on the reasonableness of the transaction price before the transaction date.</p> <p><u>If the CPA needs to rely on an expert's report, it shall be handled in accordance with the provisions of Auditing Standard No. 20 issued by the ARDF.</u></p> <p>However, the foregoing shall not</p>	<p>In accordance with the partial amendments issued by the Securities and Futures Bureau of the FSC on January 28, 2022.</p>

Article No.	Provisions after amendments	Provisions before amendments	Explanation
		apply to securities with active market quotations or to which the Financial Supervisory Commission (hereinafter “FSC”) has other regulations.	
Article 11	For the acquisition or disposal of intangible assets or their right-of-use assets or membership certificates with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of the transaction.	For the acquisition or disposal of intangible assets or their right-of-use assets or membership certificates with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of the transaction. <u>The CPA shall handle the matters in accordance with the provisions of Auditing Standard No. 20 issued by the ARDF.</u>	In accordance with the partial amendments issued by the Securities and Futures Bureau of the FSC on January 28, 2022.
Article 15	If the Company is planning to acquire or dispose of real estate or its right-of-use assets, or any other assets (except for domestic government bonds, bonds with buyback or sellback conditions, subscription or repurchase of money market funds issued by domestic securities investment trust companies) from related parties, and the transaction amount is equal to or exceeds 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more, <u>the following information must be submitted to the board of directors for approval and to the audit committee for consent</u> before the transaction contract can be signed and payment made: I. The purpose, necessity, and expected benefits of asset acquisition or disposal. II. The reasons for selecting the	If the Company is planning to acquire or dispose of real estate or its right-of-use assets, or any other assets (except for domestic government bonds, bonds with buyback or sellback conditions, subscription or repurchase of money market funds issued by domestic securities investment trust companies) from related parties, and the transaction amount is equal to or exceeds 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more, the <u>following information must be submitted to the board of directors for approval</u> before the transaction contract can be signed and payment made: I. The purpose, necessity, and expected benefits of asset acquisition or disposal. II. The reasons for selecting the related party as the transaction counterparty.	In accordance with the partial amendments issued by the Securities and Futures Bureau of the FSC on January 28, 2022.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>related party as the transaction counterparty.</p> <p>III. The reasonableness of the predetermined trading conditions must be assessed in accordance with Paragraph 3 of this Article when acquiring real estate from an affiliate.</p> <p>IV. The original date and price of acquisition by the related party, the transaction counterparty, and its relationship with the Company and the related party.</p> <p>V. A monthly cash receipts and disbursements forecast for the year starting from the expected contracting month, along with an assessment of the necessity of the transaction and the reasonableness of the funds utilization.</p> <p>VI. Appraisal reports issued by professional appraisers engaged according to the previous article or CPA opinions.</p> <p>VII. The restrictive conditions and other essential terms of this transaction.</p> <p>The Board Of Directors may, according to Subparagraph 3, Paragraph 1, Article 7, authorize the chairperson to make decisions within a certain limit on the following transactions between the Company and its parent company, subsidiary, or its directly or indirectly wholly-owned subsidiary and report such decisions to the next meeting of the board of directors for confirmation:</p> <p>I. Acquisition or disposal of equipment or its right-of-use assets for business use.</p> <p>II. Acquisition or disposal of right-of-use real estate assets for business use.</p> <p>When submitting transactions to the board of directors for</p>	<p>III. The reasonableness of the predetermined trading conditions must be assessed in accordance with Paragraph 3 of this Article when acquiring real estate from an affiliate.</p> <p>IV. The original date and price of acquisition by the related party, the transaction counterparty, and its relationship with the Company and the related party.</p> <p>V. A monthly cash receipts and disbursements forecast for the year starting from the expected contracting month, along with an assessment of the necessity of the transaction and the reasonableness of the funds utilization.</p> <p>VI. Appraisal reports issued by professional appraisers engaged according to the previous article or CPA opinions.</p> <p>VII. The restrictive conditions and other essential terms of this transaction.</p> <p><u>The calculation of the transaction amount for the preceding paragraph shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term “within one year” refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction. Transactions that have already been submitted to and approved by the board of directors in accordance with the regulations are exempt from calculation again.</u></p> <p>The Board Of Directors may, according to Subparagraph 3, Paragraph 1, Article 7, authorize the chairperson to make decisions within a certain limit on the following transactions between the Company and its</p>	

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>discussion according to the preceding provisions, full consideration must be given to the opinions of each independent director. If any independent director has an objection or reservation, it shall be recorded in the board meeting minutes.</p> <p><u>Matters requiring the consent of the Audit Committee under the provisions of the first paragraph shall first obtain the approval of more than half of all members of the audit committee and be submitted to the board of directors for resolution. The provisions of Article 6, paragraph 4, and Article 5 shall apply mutatis mutandis.</u></p> <p>If a public offering company or its subsidiary that is not a domestically public offering company engages in a transaction under the first paragraph, and the transaction amount reaches or exceeds ten percent of the total assets of the public offering company, the public offering company shall submit the information listed in each subparagraph of the first paragraph to the shareholders' meeting for approval before entering into the transaction contract and making any payments. However, this does not apply to transactions between public companies and their parent companies, subsidiaries, or among their subsidiaries. The calculation of the transaction amount for the first paragraph and the preceding paragraph shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term "within one year" refers to a period calculated retrospectively for one year from</p>	<p>parent company, subsidiary, or its directly or indirectly wholly-owned subsidiary and report such decisions to the next meeting of the board of directors for confirmation:</p> <p>I. Acquisition or disposal of equipment or its right-of-use assets for business use.</p> <p>II. Acquisition or disposal of right-of-use real estate assets for business use.</p> <p>When submitting transactions to the board of directors for discussion according to the preceding provisions, full consideration must be given to the opinions of each independent director. If any independent director has an objection or reservation, it shall be recorded in the board meeting minutes.</p> <p><u>If the Company establishes an audit committee, it shall obtain the consent of more than half of all members of the audit committee and submit the matter to the board of directors for resolution in accordance with the provisions of the first paragraph. The provisions of Paragraphs 4 and 5 of Article 6 applied mutatis mutandis.</u></p> <p>If a public offering company or its subsidiary that is not a domestically public offering company engages in a transaction under the first paragraph, and the transaction amount reaches or exceeds ten percent of the total assets of the public offering company, the public offering company shall submit the information listed in each subparagraph of the first paragraph to the shareholders' meeting for approval before entering into the transaction contract and making any</p>	

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>the date of the occurrence of the facts of this transaction.</p> <p>Transactions that have already been submitted to the shareholders' meeting, approved by the board of directors, and <u>consented to by the audit committee</u> in accordance with the regulations shall be exempt from calculation again.</p>	<p>payments. However, this does not apply to transactions between public companies and their parent companies, subsidiaries, or among their subsidiaries.</p> <p>The calculation of the transaction amount for the first paragraph and the preceding paragraph shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term "within one year" refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction. Transactions that have already been submitted to the shareholders' meeting, approved by the board of directors, and <u>consented to by the supervisor</u> in accordance with the the regulations shall be exempt from calculation again.</p>	
Article 18	<p>When the Company obtains real estate or right-of-use assets thereof from related parties, the following matters shall be handled if the evaluation results based on the preceding 2 articles are lower than the transaction price:</p> <p>I. The difference between the transaction price of the real estate or right-of-use assets thereof and the appraisal cost shall be set aside as a special surplus reserve according to Paragraph 1, Article 41 of the Act and shall not be distributed or converted into allotment shares. If an investor using the equity method to evaluate its investment into the Company is a public offering company, it shall also set aside a special surplus reserve according to Paragraph 1, Article 41 of the Act based on the proportion of</p>	<p>When the Company obtains real estate or right-of-use assets thereof from related parties, the following matters shall be handled if the evaluation results based on the preceding 2 articles are lower than the transaction price:</p> <p>I. The difference between the transaction price of the real estate or right-of-use assets thereof and the appraisal cost shall be set aside as a special surplus reserve according to Paragraph 1, Article 41 of the Act and shall not be distributed or converted into allotment shares. If an investor using the equity method to evaluate its investment into the Company is a public offering company, it shall also set aside a special surplus reserve according to Paragraph 1, Article 41 of the Act based on the proportion of</p>	<p>In accordance with the partial amendments issued by the Securities and Futures Bureau of the FSC on January 28, 2022.</p>

Article No.	Provisions after amendments	Provisions before amendments	Explanation
	<p>its shareholding.</p> <p><u>II. The matters shall be handled in accordance with Article 218 of the Company Act, and the same shall apply mutatis mutandis to the independent director members of the audit committee.</u></p> <p>III. The handling status of the preceding 2 subparagraphs shall be reported to the shareholders' meeting. The transaction details shall be disclosed in the annual report and prospectus.</p> <p>If the Company has set aside a special surplus reserve in accordance with the provisions of the preceding paragraph, such special surplus reserve may only be utilized after the assets purchased or leased at a high price have recognized impairment losses, been disposed of, had their lease terminated, been adequately compensated, or restored to their original condition, or after other evidence confirms there is no unreasonableness, and upon approval by the FSC.</p> <p>If the Company obtains real estate or its right-of-use assets from a related party and there is evidence that the transaction is inconsistent with business practices, the case shall be handled according to the provisions of the preceding 2 paragraphs.</p>	<p>its shareholding.</p> <p><u>II. Where an Audit Committee has been established according to the Act, the preceding paragraph shall apply to independent directors of the audit committee.</u></p> <p>III. The handling status of the preceding 2 subparagraphs shall be reported to the shareholders' meeting. The transaction details shall be disclosed in the annual report and prospectus.</p> <p>If the Company has set aside a special surplus reserve in accordance with the provisions of the preceding paragraph, such special surplus reserve may only be utilized after the assets purchased or leased at a high price have recognized impairment losses, been disposed of, had their lease terminated, been adequately compensated, or restored to their original condition, or after other evidence confirms there is no unreasonableness, and upon approval by the FSC.</p> <p>If the Company obtains real estate or its right-of-use assets from a related party and there is evidence that the transaction is inconsistent with business practices, the case shall be handled according to the provisions of the preceding 2 paragraphs.</p>	

## Attachment 9

Before/After Article Amendment Comparison Table for the “Operating Procedures for Loaning Funds to Others” of Hsin-Li Chemical Industrial Corp.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
Article 8.	<u>When the Company lends funds to others for short-term financing and the one-year term expires, repayment must be made through actual cash flow. It may not be deferred without the approval of the board of directors for an extension of the repayment period.</u>	<u>Upon the maturity of the loan, the Board Of Directors may approve an extension; however, the total loan term after such extension must still comply with the provisions of Article 6. If the Board of Directors does not approve an extension, the borrower shall immediately repay the principal and interest in full; otherwise, the Company shall pursue recovery in accordance with the law.</u>	Certain articles are amended in accordance with Article 3, Paragraph 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and Question 39 of the related Q&A section.



## Attachment 10

Before/After Article Amendment Comparison Table for the “Operating Procedures for Making Endorsements/Guarantees” of Hsin-Li Chemical Industrial Corp.

Article No.	Provisions after amendments	Provisions before amendments	Explanation
Article 4	<p><u>Amount of endorsements/guarantees:</u>  <u>The total amount of endorsements/guarantees provided by the Company to external parties shall not exceed 50% of the current net worth.</u>  <u>The endorsement/guarantee amount for a single enterprise shall be limited to no more than 10% of the current net worth, provided that for a single overseas affiliated company, the limit shall not exceed 30% of the net worth. The aggregate amount of endorsements/guarantees provided by the Company and its subsidiaries to external parties shall not exceed 50% of the Company’s current net worth, and the limit for endorsements/guarantees provided by the Company and its subsidiaries to a single enterprise shall not exceed 20% of the Company’s net worth, with the net worth based on the most recent financial statements audited or reviewed by a CPA.</u></p>	<p><u>Amount of endorsements/guarantees:</u>  <u>I. The total amount of endorsements/guarantees provided by the Company to external parties shall not exceed 40% of the current net worth.</u>  <u>The limit for endorsements/guarantees to a single enterprise, except for subsidiaries in which the Company directly holds more than 90% of the common stock equity (where the limit shall not exceed 20% of the current net worth), shall not exceed 10% of the current net worth. The net worth shall be based on the most recent financial statements audited or reviewed by a CPA.</u>  <u>The aggregate amount of endorsements/guarantees that the Company and its subsidiaries may provide shall not exceed 50% of the Company’s net worth as stated in the most recent financial statements.</u>  <u>II. For endorsements/guarantees provided to entities with which the Company has a business relationship, in addition to the said limits, the individual endorsement/guarantee amount shall not exceed the number of business transactions between the two parties. The term “amount of business transactions” refers to the higher of the purchase or sales amount between the two parties for the most recent fiscal year, as audited by a CPA.</u></p>	Amended in accordance with the Company’s policies.



## Appendix 1

### Articles of Incorporation of Hsin-Li Chemical Industrial Corp. (Before Amendment)

#### 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. C303010 Manufacture of Non-woven Fabrics.
  2. C801100 Synthetic Resin and Plastic Manufacturing.
  3. C801990 Other Chemical Materials Manufacturing.
  4. C802120 Industrial and Additive Manufacturing.
  5. C802200 Coating, Paint, Dye, and Pigment Manufacturing.
  6. C805010 Manufacture of Plastic Sheets, Pipes and Tubes.
  7. D101060 Self-usage power generation equipment utilizing renewable energy industry.
  8. F107010 Wholesale of Paints, Coating and Varnishes.
  9. F107170 Wholesale of Industrial Catalyst.
  10. F107200 Wholesale of Chemical Feedstock.
  11. F401010 International Trade.
  12. H703100 Real Estate Leasing.
  13. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- 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, 35 million shares 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 extempore 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, and all shareholders shall be notified 15 days in advance. The Company may convene shareholders’ meetings 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 the said number of the Company's directors in the preceding paragraph, the number of independent directors shall not be fewer than three. It 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 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 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 of Directors (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 A board meeting 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 e-mail.

- 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 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 accordance with Article 240 of the Company Act, the Board of Directors of the Company is 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. 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 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 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.

#### 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 10th amendment was made on November 10, 1991; the 11th amendment was made on November 30, 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; the 31st amendment was made on May 27, 2024.

## 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 the number 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 video conference platform obstacles 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.

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 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.

Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, application for suspension of public offering, director's permission to compete, surplus capital increase, capital reserve conversion, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1, Article 185 of the Company Act or Article 26-1 or Article 43-6 of the Securities and Exchange Act; and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be raised and have the main content explained as part of the regular motions and cannot be raised in the form of special motions. The main content may be placed on websites designated by the competent securities authorities or the Company, and the website addresses shall be stated in the notice.

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 amendments 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 shall 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. It 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

### “Procedures Governing the Acquisition and Disposal of Assets” of Hsin-Li Chemical Industrial Corp. (Before Amendment)

#### Chapter 1 General Provisions

##### Article 1

The Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act (referred to as “the Act”) and the relevant provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

##### Article 2

The Company shall acquire or dispose of assets in accordance with the Procedures.

##### Article 3

The scope of the assets referred to in the Procedures is as follows:

- I. Stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real estate (including land, buildings and structures, investment property, inventory of the construction industry) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, charters, and other intangible assets.
- V. Right-of-use assets
- VI. Claims of financial institutions (this covers receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of via merger, spinoff, acquisition, or share transfer in accordance with the law.
- IX. Other significant assets.

##### Article 4

The terms used in the Procedures are defined as follows:

- I. Derivatives: Refers to contracts such as forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts. The value of these contracts is derived from specific interest rates, financial instrument prices, commodity prices, foreign exchange rates, price or rate indices, credit ratings or credit indices, or other variables. This definition also includes hybrid contracts that combine the mentioned contracts or structured products containing embedded derivatives. However, it excludes insurance, performance, after-sales service, long-term leasing, or long-term purchase (sales) contracts.
- II. Assets Acquired or Disposed Through Legal Mergers, spinoffs, Acquisitions, or Share Transfers: Refers to assets obtained or disposed of through mergers, spinoffs, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, or other relevant laws. It also includes the transfer of shares from another company through the issuance of new shares as consideration (referred to as “transfer of shares”) under Article 156-3 of the Company Act.

- III. Related Party and Subsidiary: Determined according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional Appraiser: Refers to real estate appraisers or other individuals legally authorized to engage in real estate or equipment appraisal services.
- V. Date of Occurrence: Refers to the transaction signing, payment, execution of entrusted transactions, transfer, board resolution, or any other date that sufficiently determines the transaction counterparty and transaction amount. For investors requiring approval from regulatory authorities, the earlier of the mentioned dates or the date of receiving regulatory approval applies.
- VI. Investment in Mainland China: Refers to investments or technical cooperation activities conducted in Mainland China according to the regulations of the Investment Commission under the Ministry of Economic Affairs.
- VII. Professional Investors: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms engaged in proprietary trading or underwriting, futures firms engaged in proprietary trading, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies that are established in accordance with the law and regulated by the local financial supervisory authority.
- VIII. Stock Exchange: A domestic stock exchange refers to the Taiwan Stock Exchange Corporation; a foreign stock exchange refers to any organized securities trading market regulated by the securities supervisory authority of that country.
- IX. Securities Firm Business Premises: Domestic securities firm business premises refer to locations where securities firms establish dedicated counters for trading securities in accordance with the Regulations Governing the Trading of Securities at Securities Firm Business Premises; foreign securities firm business premises refer to the business premises of financial institutions regulated by a foreign securities supervisory authority and permitted to engage in securities business.

#### Article 5

The professional agency and its appraisers, CPAs, attorneys, or securities underwriters whereby the Company obtains its CPA, attorney, or securities underwriter valuation reports or opinions must meet the following requirements:

- I. They must not have been convicted of violating the Securities and Exchange Act, Company Act, The Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act. Additionally, they must not have been convicted of fraud, breach of trust, embezzlement, forgery of documents, or any other criminal activity related to their businesses, to which they have been sentenced to imprisonment for over one year. However, this restriction does not apply if they have completed their sentence, probation, or received a pardon and three years have passed.
- II. The parties to the transaction must not be related parties or have a substantial relationship with each other.
- III. If a company must obtain appraisal reports from two or more professional appraisers, those appraisers or their staff must not have a relationship as related parties or have a substantial relationship with each other.

When issuing valuation reports or opinions, the preceding appraisers shall comply with the self-discipline regulations of their respective trade associations and abide by the following matters:

- I. Carefully assess the professional ability, practical experience, and independence before undertaking the case.
- II. Appropriate operating procedures shall be properly planned and implemented to form a conclusion and issue a report or opinion letter accordingly. The procedures, data collected, and conclusions shall be documented in the case's paperwork.
- III. The appropriateness and rationality of the data sources, parameters, and information used shall be evaluated item by item to serve as the foundation for issuing the valuation report or opinion letter.
- IV. The declaration items shall include the professionalism and independence of the relevant personnel and specify that the information used has been assessed to be appropriate, reasonable, and in compliance with the relevant laws and regulations.

## Chapter 2 Handling Procedures

### Section 1 Establishment of Processing Procedures

#### Article 6

The Company shall establish procedures for the acquisition or disposal of assets in accordance with the regulations, which shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the shareholders' meeting for approval. The same shall apply to any amendments. If a director expresses dissent and such dissent is recorded or provided in a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When the procedures for the acquisition or disposal of assets are submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered. If an independent director expresses opposition or a reservation, such opinions shall be recorded in the minutes of the Board of Directors meeting.

If the Company has established an Audit Committee, the establishment or amendment of the procedures for the acquisition or disposal of assets shall require the approval of more than half of all members of the Audit Committee and a resolution by the Board of Directors.

If the approval of more than half of all Audit Committee members as stipulated in the preceding paragraph is not obtained, the procedures may be implemented with the approval of more than two-thirds

of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The term "all members of the Audit Committee," as referred to in Paragraph 3, and "all directors," as referred to in the preceding paragraph, shall be calculated based on those actually in office.

#### Article 7

The Company shall establish procedures for the acquisition or disposal of assets, which shall include the following matters, and shall handle such matters in accordance with the established procedures:

- I. Scope of assets.
- II. Assessment procedures: Including the method of price determination and reference basis.



- III. Operating Procedures: Including authorization limits, levels of authority, executing units, and transaction processes.
- IV. Public announcement and reporting procedures.
- V. The total amount of real estate and right-of-use assets thereof or securities acquired by the Company and its subsidiaries for non-business use and the limit amount of each security.
- VI. Control procedures for the acquisition or disposal of assets by subsidiaries.
- VII. Penalties for relevant personnel who violate the regulations or the Company's procedures for the acquisition or disposal of assets.
- VIII. Other significant matters.

Transactions with related parties, engagement in derivative transactions, corporate mergers, divisions, acquisitions, or share transfers by this company shall, in addition to complying with the provisions of the preceding paragraph, establish processing procedures in accordance with the provisions of Sections 3 to 5 of this Chapter.

The Company shall supervise its subsidiaries to establish and implement procedures for the acquisition or disposal of assets in accordance with the regulations.

#### Article 8.

When the Company's acquisition or disposal of assets requires approval by the Board of Directors pursuant to the established procedures or other legal provisions, if a director expresses dissent and such dissent is recorded or provided in a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

When a transaction involving the acquisition or disposal of assets is submitted to the Board of Directors for discussion pursuant to the preceding paragraph, the opinions of each independent director shall be fully considered. If an independent director expresses opposition or a reservation, such opinions shall be recorded in the minutes of the Board of Directors meeting.

If the Company has established an Audit Committee, significant transactions involving assets or derivatives shall require the approval of more than half of all members of the Audit Committee and a resolution by the Board of Directors, with Paragraphs 4 and 5 of Article 6 applying *mutatis mutandis*.

### Section 2 Acquisition or Disposal of Assets

#### Article 9

Except for transactions with domestic government agencies, engaging others to build on the Company's own land, or engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets for business use, if the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, the Company shall obtain an appraisal report from a professional appraiser before the transaction date. The appraisal report must meet the following criteria:

- I. If a limited price, specific price, or special price needs to be used as a reference basis for the transaction price due to special reasons, the transaction shall first be approved by the board of directors. The same process applies if there are subsequent changes to the transaction conditions.
- II. For transactions with a value exceeding NT\$1 billion, at least two professional appraisers shall provide an appraisal.

- III. If the valuation results from a professional appraiser fall under any of the following circumstances—except where the valuation results for acquired assets are all higher than the transaction amount, or the valuation results for disposed assets are all lower than the transaction amount—the Company shall engage a CPA to handle the matter in accordance with the provisions of Auditing Standard No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter “ARDF”). The CPA shall also provide a specific opinion on the reasons for the discrepancy and the fairness of the transaction price:
- (I) The difference between the appraisal results and the transaction amount exceeds 20% of the transaction amount.
  - (II) The difference between the appraisal results from two or more professional appraisers exceeds 10% of the transaction amount.
- IV. The date the professional appraiser issues the report shall not exceed three months from the contract’s establishment date. However, the original professional appraiser may issue an opinion letter if it applies to the same period’s publicly announced current value and does not exceed 6 months.

#### Article 10

When the Company acquires or disposes of securities, it shall obtain the latest financial statements of the target company audited or reviewed by a CPA before the transaction date as a reference for evaluating the transaction price. In addition, for transactions equal to or exceeding 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult with a CPA on the reasonableness of the transaction price before the transaction date. If the CPA needs to rely on an expert’s report, it shall be handled in accordance with the provisions of Auditing Standard No. 20 issued by the ARDF. However, the foregoing shall not apply to securities with active market quotations or to which the Financial Supervisory Commission (hereinafter “FSC”) has other regulations.

#### Article 11

For the acquisition or disposal of intangible assets or their right-of-use assets or membership certificates with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of the transaction. The CPA shall handle the matters in accordance with the provisions of Auditing Standard No. 20 issued by the ARDF.

#### Article 12

The calculation of the transaction amounts for the preceding 3 articles shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term "within one year" refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction. Transactions for which a valuation report from a professional appraiser or an opinion from a CPA has already been obtained in accordance with these procedures are exempt from being included in the calculation again.

#### Article 13

If the Company acquires or disposes of assets through court auction procedures, it may use the supporting documents issued by the court in lieu of appraisal reports or CPA opinions.

### Section 3 Related Party Transactions

#### Article 14

When the Company acquires or disposes of assets with a related party, in addition to complying with the resolution procedures and the assessment of the reasonableness of transaction terms as stipulated in the preceding section and this section, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain a valuation report from a professional appraiser or an opinion from a CPA in accordance with the provisions of the preceding section.

The calculation of the transaction amount in the preceding paragraph shall be executed according to the provisions of Article 12.

In addition to paying attention to its legal form, the substantive relationship must also be considered when judging whether the counterparty is a related party.

#### Article 15

If the Company is planning to acquire or dispose of real estate or its right-of-use assets, or any other assets (except for domestic government bonds, bonds with buyback or sellback conditions, subscription or repurchase of money market funds issued by domestic securities investment trust companies) from related parties, and the transaction amount is equal to or exceeds 20% of the Company's paid-in capital, 10% of total assets, or NT\$300 million or more, the following information must be submitted to the board of directors for approval before the transaction contract can be signed and payment made:

- I. The purpose, necessity, and expected benefits of asset acquisition or disposal.
- II. The reasons for selecting the related party as the transaction counterparty.
- III. When acquiring real estate or its right-of-use assets thereof from related parties, relevant information shall be assessed to determine the reasonableness of the proposed transaction terms in accordance with Articles 16 and 17.
- IV. The original date and price of acquisition by the related party, the transaction counterparty, and its relationship with the Company and the related party.
- V. A monthly cash receipts and disbursements forecast for the year starting from the expected contracting month, along with an assessment of the necessity of the transaction and the reasonableness of the funds utilization.
- VI. Appraisal reports issued by professional appraisers engaged according to the previous article or CPA opinions.
- VII. The restrictive conditions and other essential terms of this transaction.

The calculation of the transaction amount for the preceding paragraph shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term "within one year" refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction. Transactions that have already been submitted to and approved by the board of directors in accordance with the regulations are exempt from calculation again.

The Board Of Directors may, according to Subparagraph 3, Paragraph 1, Article 7, authorize the chairperson to make decisions within a certain limit on the following transactions between the Company and its parent company, subsidiary, or its directly or indirectly wholly-owned subsidiary and report such decisions to the next meeting of the board of directors for confirmation:

- I. Acquisition or disposal of equipment or its right-of-use assets for business use.
- II. Acquisition or disposal of right-of-use real estate assets for business use.

When submitting transactions to the board of directors for discussion according to the preceding provisions, full consideration must be given to the opinions of each independent director. If any independent director has an objection or reservation, it shall be recorded in the board meeting minutes.

If the Company establishes an audit committee, it shall obtain the consent of more than half of all members of the audit committee and submit the matter to the board of directors for resolution in accordance with the provisions of the first paragraph. The provisions of Paragraphs 4 and 5 of Article 6 applied *mutatis mutandis*.

If a public offering company or its subsidiary that is not a domestically public offering company engages in a transaction under the first paragraph, and the transaction amount reaches or exceeds ten percent of the total assets of the public offering company, the public offering company shall submit the information listed in each subparagraph of the first paragraph to the shareholders' meeting for approval before entering into the transaction contract and making any payments. However, this does not apply to transactions between public companies and their parent companies, subsidiaries, or among their subsidiaries.

The calculation of the transaction amount for the first paragraph and the preceding paragraph shall be conducted in accordance with the provisions of Paragraph 2 of Article 31. The term "within one year" refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction. Transactions that have already been submitted to the shareholders' meeting, approved by the board of directors, and consented to by the supervisor in accordance with the the regulations shall be exempt from calculation again.

#### Article 16

When the Company acquires real estate or its right-of-use assets from a related party, the reasonableness of the transaction costs shall be evaluated according to the following methods:

- I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is attributed to the weighted average interest rate on borrowing in the year the Company purchases the property, provided it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- II. If the related party has established a mortgage borrower with a financial institution for a subject matter, the financial institution shall assess the value of the loan to the subject matter. However, the cumulative value of the actual loan to the subject matter by the financial institution shall exceed 70% of the total loan assessment and the lending period must already exceed one year. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

For the consolidation by purchase or lease of land and houses of the same subject matter, the transaction costs may be assessed separately for the land and houses according to any of the methods listed in the preceding paragraph.

When the Company obtains real estate or right-of-use assets thereof from related parties, it shall evaluate the cost of real estate or right-of-use assets thereof according to the preceding 2 paragraphs and consult a CPA for review and specific recommendations.

If the Company acquires real estate or its right-to-use assets from a related party and any of the following circumstances occurs, it shall be handled according to the provisions provided by the preceding article, and the provisions of the preceding 3 paragraphs shall not apply:

- I. A related party acquires real estate or its right-to-use assets via inheritance or gift.
- II. It has been over 5 years since the contract date of this transaction for the related parties to obtain the real estate or its right-to-use asset.
- III. Real estate is obtained from inviting an affiliate to construct real estate via signing a joint-construction contract with the affiliate, self-owed land construction, or leased-land construction.
- IV. The Company, its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or total capital, acquire real estate right-of-use assets for business use from one another.

#### Article 17

If the evaluation results obtained by the Company pursuant to Paragraphs 1 and 2 of the preceding article are both lower than the transaction price, the matter shall be handled in accordance with the provisions of Article 18. However, if the situation is one of the following, and the Company can provide objective evidence and furnish professional real estate appraiser and CPAs' substantive reasonableness opinions, this rule is not applicable:

- I. If the affiliate acquired raw land or leased land to build) adequate documentation should be presented to prove that it meets one of the following conditions:
  - (I) The raw land shall be evaluated according to the method specified in the preceding Article, the reasonable construction profit shall be added according to the construction cost of the related parties for the house, and the total amount exceeds the actual transaction price. The "reasonable construction profit" shall be based on the average operating gross profit margin of the related party's construction department in the last 3 years or the most recent construction gross profit rate announced by the Ministry of Finance, whichever is lower.
  - (II) Transactions by other non-related parties within one year on other floors of the same subject matter or adjacent areas whereby the size is similar, and the transaction conditions are equivalent according to the reasonable floor or regional price difference assessments conducted under regular real estate sale or lease practices.
- II. The Company proves that the transaction conditions for the real estate purchased or leased from the related party obtains the right to use real estate assets are comparable to those of other non-related party transactions within one year in the adjacent area that are similar in size. The "transactions in the vicinity" mentioned earlier means a deal in the same block or an adjacent block and within 500 meters from the objects in the transaction, or the announced land values are similar. The "floor areas are similar" means the floor area in a deal with non-affiliate is no lower than 50% of the object in the transaction. The "within a year" mentioned above means a year retrospectively calculated from the date of occurrence of this acquisition of real estate or its right-of-use assets.

#### Article 18

When the Company obtains real estate or right-of-use assets thereof from related parties, the following matters shall be handled if the evaluation results based on the preceding 2 articles are lower than the transaction price:

- I. The difference between the transaction price of the real estate or right-of-use assets thereof and the appraisal cost shall be set aside as a special surplus reserve according to Paragraph 1, Article 41 of the Act and shall not be distributed or converted into allotment shares. If an investor using the equity method to evaluate its investment into the Company is a public offering company, it shall also set aside a special surplus reserve according to Paragraph 1, Article 41 of the Act based on the proportion of its shareholding.
- II. Where an Audit Committee has been established according to the Act, the preceding paragraph shall apply to independent directors of the audit committee.
- III. The handling status of the preceding 2 subparagraphs shall be reported to the shareholders' meeting. The transaction details shall be disclosed in the annual report and prospectus.

If the Company has set aside a special surplus reserve in accordance with the provisions of the preceding paragraph, such special surplus reserve may only be utilized after the assets purchased or leased at a high price have recognized impairment losses, been disposed of, had their lease terminated, been adequately compensated, or restored to their original condition, or after other evidence confirms there is no unreasonableness, and upon approval by the FSC.

If the Company obtains real estate or its right-of-use assets from a related party and there is evidence that the transaction is inconsistent with business practices, the case shall be handled according to the provisions of the preceding 2 paragraphs.

## Section 4 Derivatives Transactions

### Article 19

The Company shall pay attention to the control of the following key risk management and audit matters when engaging in derivative transactions and incorporate them into its processing procedures:

- I. Trading Principles and Policies: Including the types of derivative transactions permitted, operational or hedging strategies, delineation of responsibilities, performance evaluation guidelines, the total contract amount permitted for derivative transactions, and the maximum loss limits for all contracts combined as well as for individual contracts.
- II. Risk management measures.
- III. Internal audit system.
- IV. Method of routine evaluation and response to abnormal situations.

### Article 20

The Company shall pay attention to the control of the following risk management measures when engaging in derivative transactions and adopt them accordingly:

- I. Scope of Risk Management: This shall include the management of credit risk, market price risk, liquidity risk, cash flow risk, operational risk, and legal risk.
- II. Individuals involved in derivative product transactions (traders) and operational tasks (confirmation, settlement, etc.) shall not hold dual roles.

- III. Separate risk measurement, supervision, and control personnel from the preceding roles, reporting to the board of directors or senior executives responsible for trading or position decisions.
- IV. Positions in derivatives transactions shall be evaluated at least once a weekly. Hedging transactions with business needs shall be evaluated at least twice a month. Evaluation reports shall be submitted to senior managers authorized by the Board of Directors.
- V. Other important risks and management measures.

#### Article 21

The Company's Board of Directors shall diligently oversee and manage derivative transactions in accordance with the following principles:

- I. Designate senior management personnel to continuously monitor and control the risks associated with derivative transactions.
- II. Periodically evaluate whether the results of the derivative transactions are in compliance with stated operating strategies, and whether the risks assumed are within the tolerable range of the company.

The senior management personnel authorized by the Board of Directors shall manage derivative transactions in accordance with the following principles:

- I. Periodic evaluate whether the risk management measures adopted are appropriate and have been performed according to this procedure and the company's established derivatives transaction processing procedure.
- II. Monitor the trades and profit and loss. Whenever an irregularity is discovered, necessary responses shall be implemented, and the irregularity shall immediately be reported to the Board. If independent directors are established, they shall attend the Board of Directors meeting and express their opinions.

When the Company engages in derivative commodity transactions, it shall authorize the relevant personnel to handle said transactions in accordance with derivative transaction operation procedures, and subsequently report the case to the board of directors.

#### Article 22

When the Company engages in derivative commodity transactions; it shall establish a record of the types and amounts of the derivative commodity transactions, the date of approval by the board of directors, and the careful assessment items outlined in Paragraph 4 of Article 20, Subparagraph 2 of Paragraph 1 of the preceding article, and Subparagraph 1 of Paragraph 2 of the preceding article in detail for future reference.

The Company's internal audit personnel shall periodically assess the appropriateness of internal controls related to derivative transactions and conduct monthly audits of the trading department's compliance with the procedures for engaging in derivative transactions, preparing an audit report accordingly. If significant violations are identified, they shall notify the Audit Committee in writing.

When notifying the Audit Committee pursuant to the preceding paragraph, the independent directors shall also be notified in writing concurrently.

#### Section 5: Corporate Mergers, Spinoffs, Acquisitions, and Share Transfers

#### Article 23

A CPA, attorney, or securities underwriter shall be appointed to express opinions on the rationality of the conversion ratio, purchase price, or allotment of shareholders' cash or

other assets during mergers, spinoffs, acquisitions, or share transfers engaged by the Company; and such cases shall be submitted to the board of directors for discussion and approval before the board of directors' resolution. However, if a company merges its subsidiaries whereby the Company directly or indirectly holds 100% of the issued shares or total capital or a merger occurs between subsidiaries whereby the Company directly or indirectly holds 100% of the issued shares or total capital, obtaining reasonable opinions issued by the preceding experts may be omitted.

#### Article 24

When participating in a merger, spinoff, or acquisition, the Company shall prepare a public document for shareholders prior to the shareholders' meeting detailing the key terms and related matters of the merger, spinoff, or acquisition. This document, together with the expert opinion specified in Paragraph 1 of the preceding article and the notice of the shareholders' meeting, shall be provided to shareholders as a reference for deciding whether to approve the merger, spinoff, or acquisition. However, this does not apply to those who are exempted from holding a shareholder meeting to resolve mergers, spinoffs, or acquisitions pursuant to other laws or regulations.

For companies participating in mergers, spinoffs, or acquisitions; if either parties' shareholders meeting cannot be convened or pass a resolution due to insufficient attendees, lack of voting rights, or other legal restrictions or the proposal was vetoed by the shareholders meeting; the companies participating in the merger, spinoff, or acquisition shall immediately explain the cause, follow-up processing operations, and the anticipated shareholders meeting date to the public.

#### Article 25

Unless otherwise stipulated by other laws or approved in advance by this Committee due to special circumstances, companies participating in a merger, spinoff, or acquisition shall convene a board of directors meeting and a shareholders' meeting on the same day to resolve matters related to the merger, spinoff, or acquisition.

Unless otherwise specified by the law or reported to this Commission in advance for approval due to special factors; the Company participating in share transfer shall convene a board of directors meeting at the same day.

Companies involved in mergers, spinoffs, acquisitions, or share transfer listings or whose stocks are traded at the business offices of securities firms shall make complete written records of the following information and retain them for 5 years for inspection:

- I. Basic personnel information: Include the titles, names, and ID numbers (passport numbers for foreigners) for all persons involved in the merger, spinoff, acquisition or share transfer plan or implementation of the plan before the news is released.
- II. Dates of important matters: Including dates for letter of intent or memorandum signatures, financial or legal counsel appointments, contract signatures, and the board of directors meetings.
- III. Important documents and minutes: including merger, spinoff, acquisition or share transfer plan, letter of intent or memorandum, important contracts, and board meeting minutes.

If a Company whose stock is publicly traded or traded over the counter participates in a merger, spinoff, acquisition, or share transfer; it shall report the information stipulated in Subparagraphs 1 and 2 via the required format over the Internet and networked systems for



review by this Commission within two days from the board of directors resolution (including the day of resolution).

If a company whose stock is not publicly traded or traded over the counter participates in a merger, spinoff, acquisition, or share transfer; the company whose stock is publicly traded or traded over the counter shall sign agreements with such party and handle the matter according to the provisions provided by the preceding 2 paragraphs.

#### Article 26

All individuals who participate in or know of the company's merger, spinoff, acquisition, or share transfer projects should sign written confidentiality agreements. Before the information is made public, those individuals are prohibited from revealing the details of the projects to outside parties. They are not allowed to buy or sell stocks and other equity securities in all companies related to the merger, spinoff, acquisition, or share transfer projects in their own name or the names of others.

#### Article 27

Unless under any of the circumstances listed below, share swap ratio or purchase price in a merger, spinoff, acquisition, or share transfer case participated by the company shall not be arbitrarily changed; and any such changes shall be stipulated in the merger, spinoff, acquisition, or share transfer contract:

- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
- II. An action, such as the disposal of major assets, that affects the Company's financial operations.
- III. An event, such as a major disaster or change in technology, affects shareholder equity or share price.
- IV. Any party participating in a merger, spinoff, acquisition, or transfer of shares shall adjust the repurchase of treasury shares in accordance with the law.
- V. An increase or decrease in the number of entities or companies participating in the merger, spinoff, acquisition, or transfer of shares.
- VI. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 28

If the Company participates in a merger, spinoff, acquisition, or share transfer transaction; the contract shall clearly state the rights and responsibilities of the companies participating in the merger, spinoff, acquisition, or share transfer transaction; and record the following matters:

- I. Handling of breach of contract.
- II. Principles for the handling of equity-type securities previously issued or treasury stock bought back by any company that is extinguished in a merger or spinoff.
- III. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculating the share exchange ratio and the principles for handling thereof.
- IV. The manner of handling changes in the number of participating entities or companies.
- V. Preliminary progress schedule for plan execution and anticipated completion date.

- VI. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### Article 29

If any party involved in a merger, spinoff, acquisition, or share transfer intends to engage in another merger, spinoff, acquisition, or share transfer with another company after the information has been publicly disclosed, the participating companies are not required to convene a shareholders' meeting to re-adopt a resolution, provided that the number of participating entities decreases and the shareholders' meeting has already resolved and authorized the board of directors to amend such authority. However, for the original merger, spinoff, acquisition, or share transfer, any procedures or legal acts already completed must be reimplemented by all participating companies.

#### Article 30

If any company participating in a merger, spinoff, acquisition, or share transfer is not a publicly issued company, the Company shall enter into an agreement with such company and handle the matter in accordance with the provisions of Articles 25 and 26 and the preceding article.

### Chapter 3: Information Disclosure

#### Article 31

When the Company acquires or disposes of assets under the following circumstances, the Company shall follow the prescribed format according to the features of the assets and report the relevant information on the website designated by the FSC within two days from the day of the fact:

- I. Acquisition of real estate or right-of-use assets thereof or other assets besides real estate or right-of-use assets thereof from a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million or higher. However, this provision shall not apply for domestic bond trades with buy-back or sell-back conditions, or subscribing or buying back money market funds issued by domestic securities investment trust enterprises.
- II. Engaging in mergers, spinoffs, acquisitions, or transfer of shares.
- III. The loss suffered from engaging in derivative commodity transactions has reached the maximum cap for all or individual contract losses stipulated in the prescribed handling procedures.
- IV. Acquiring or disposing of equipment for commercial use or right-to-use assets thereof, the counterparty is not a related party, and the transaction amount meets one of the following requirements:
  - (I) The publicly-issued company with a paid-in capital of less than NT\$10 billion has a transaction amount of over NT\$500 million.
  - (II) The publicly-issued company with a paid-in capital of over NT\$10 billion has a transaction amount of over NT\$1 billion.
- V. Real estate acquisition via engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale whereby the transaction counterpart is not an affiliated party; and the amount the company expects to invest does not exceed NT\$500 million.

- VI. Transactions involving assets other than those covered by the preceding 5 subparagraphs, the disposal of claims by financial institutions, or investments in mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following conditions shall be exempt:
- (I) Trading domestic bonds or foreign government bonds with a credit rating not lower than our nation's sovereign credit rating.
  - (II) Professional investors engaging in the purchase or sale of securities at a stock exchange or securities firm's business premises, or subscribing to foreign government bonds, ordinary corporate bonds issued in the primary market, or general financial bonds not involving equity (excluding subordinated bonds), or subscribing to or redeeming securities investment trust funds or futures trust funds, or subscribing to or selling back index investment securities, or securities firms subscribing to securities as required for underwriting business or acting as a recommending securities firm for emerging stock companies in accordance with the regulations of the Taipei Exchange.
  - (III) Bond trades with buy-back or sell-back conditions or subscribing to or buying back money market funds issued by domestic securities investment trust enterprises.

The transaction amount referred to in the preceding paragraph shall be calculated in the following manners:

- I. The amount of each transaction.
- II. The accumulated amount of transactions with the same counterparty to acquire or dispose of the same transaction subject matter within one year.
- III. The amount of accumulated acquisition or disposal (accumulative acquisition and disposal) for the same real estate development project or right-of-use assets thereof within one year.
- IV. The amount of accumulated acquisition or disposal (accumulative acquisition and disposal) for the same security within one year.

The term "within one year," as mentioned in the preceding paragraph, refers to a period calculated retrospectively for one year from the date of the occurrence of the facts of this transaction, with transactions already announced in accordance with the regulations exempt from being included in the calculation again.

Each month, the Company shall upload information according to the prescribed format regarding derivatives trading engaged as of the end of the previous month by the Company and its subsidiaries that are not domestic public offering companies before the 10th day of each month to the information reporting website designated by the FSC.

If there are errors or omissions in the announcements made by the Company pursuant to regulations and corrections are required, all of the items must be re-announced within two days after the errors or omissions were discovered.

When the Company acquires or disposes of assets, it shall retain the relevant contracts, minutes, reference books, valuation reports, and opinions of CPA, lawyers, or securities underwriters in the Company for at least 5 years unless otherwise stipulated by other laws.

#### Article 32

After the Company announces and declares a transaction according to the provisions of the preceding article, the Company shall announce the relevant information on the website

designated by the FSC within 2 days from the date of the occurrence of the fact if there is one of the following circumstances:

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

#### Chapter 4 Supplementary Provisions

##### Article 33

If a subsidiary of the Company is not a domestically publicly issued company and its acquisition or disposal of assets involves circumstances requiring public announcement and reporting as stipulated in the preceding chapter, such announcement and reporting shall be made by the Company on its behalf.

For the subsidiary mentioned in the preceding paragraph, the standards for public announcement and reporting under Paragraph 1 of Article 31 related to paid-in capital or total assets

shall be based on the Company's paid-in capital or total assets.

##### Article 34

The 10% total assets requirement provided in the Procedures shall be calculated based on the amount of total assets in the most recent individual or individual financial report formulated according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For a company whose shares have no par value or a par value other than NT\$10 per share, the transaction amount provisions in these procedures referring to 20% of paid-in capital shall be calculated as 10% of the equity attributable to the owners of the parent company; the transaction amount provisions in these procedures referring to a paid-in capital of NT\$10 billion shall be calculated as NT\$20 billion of the equity attributable to the owners of the parent company.

## Appendix 4

### “Operating Procedures for Loaning Funds to Others” of Hsin-Li Chemical Industrial Corp. (Before Amendment)

- Article 1: All matters related to the Company’s lending of funds to others shall be handled in accordance with the provisions of the Regulations.
- Article 2: The recipients of the Company’s fund lending shall be limited to companies or firms that have business dealings with the Company or have a need for short-term financing despite having no business dealings.
- Article 3: When the Company engages in fund lending with other companies or firms due to business relationships, it shall comply with the provisions of Paragraph 2 of Article 4. When engaging in fund lending due to the need for short-term financing, except under the following circumstances, the Company shall not lend funds to shareholders or any other individuals:
- I. Affiliated companies of the Company that require short-term financing due to business needs.
  - II. Other companies or firms that require short-term financing due to material purchases or operational turnover needs.
- Article 4: Limits on the Company’s lending of funds to others:
- I. The total amount of funds lent to others shall not exceed 40% of the Company’s net worth, with the total amount lent to recipients without business dealings but with short-term financing limited to 20% of the net worth.
  - II. The limit for lending to an individual recipient is 20% of the Company’s net worth for affiliated companies and those with business dealings and 5% of the Company’s net worth for other recipients.
- If the Company’s responsible persons violate the provisions of the preceding paragraph, they shall be jointly liable with the borrower for repayment. Furthermore, if the Company suffers any damages, the responsible persons shall also be responsible for compensation.
- Article 5: When lending funds to others, the Company shall conduct a detailed investigation and assessment of the borrower’s purpose of borrowing, collateral conditions, and the impact on the Company’s operational risks, financial condition, and shareholders’ equity. Based on this, the Company shall propose the maximum loan amount, term, and interest

calculation method. The assessment results shall first be submitted to the Audit Committee for approval and then reported to the Board of Directors for resolution before disbursement is processed.

Loans between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be subject to board resolution as specified in the preceding paragraph. The chairman may be authorized to make multiple disbursements or revolving use of funds within a certain quota approved by the board and within no more than one year to the same borrower.

Unless the certain quota mentioned in the preceding paragraph meets the provisions of Article 3, the Company or its subsidiary's authorized loan amount to a single enterprise shall not exceed 10% of the net worth of the Company's most recent financial statement.

- Article 6: The maximum term for the Company's lending of funds shall be one year, except for recipients without business dealings, where the maximum term shall be six months. The interest rate for lending funds shall not be lower than the minimum lending rate of general financial institutions.
- Article 7: For fund lending cases approved by the Board of Directors, the finance department may disburse the funds either in a lump sum or in installments based on the borrower's funding needs. The borrower may also repay the loan in a lump sum or installments, provided that the outstanding loan balance does not exceed the maximum amount approved by the Board of Directors.
- Article 8: Upon the maturity of the loan, the Board Of Directors may approve an extension; however, the total loan term after such extension must still comply with the provisions of Article 6. If the Board of Directors does not approve an extension, the borrower shall immediately repay the principal and interest in full; otherwise, the Company shall pursue recovery in accordance with the law.
- Article 9: When handling fund lending matters, the Company shall establish a reference file, recording in detail the recipient of the funds, the amount, the approval date by the Audit Committee, the approval date by the Board of Directors, the fund disbursement date, and matters requiring careful evaluation as stipulated.
- Article 10: The Company's internal audit personnel shall audit the execution of fund lending to others at least quarterly and prepare written records. If any irregularities are identified, they shall be promptly corrected. In cases of significant irregularities, the Audit Committee shall be notified in writing immediately, and the responsible personnel shall be

disciplined in accordance with the Company's personnel management regulations.

Article 11: If the recipient of the loan no longer complies with the Regulations or the loan balance exceeds the limit due to changes in circumstances, the Company shall formulate an improvement plan, submit it to the Board of Directors for approval, and provide the improvement plan to the Audit Committee, completing the improvements according to the planned timeline.

Article 12: Procedures for controlling the lending of funds to others by the Company's subsidiaries:

- I. If a subsidiary of the Company intends to lend funds to others, the Company shall instruct the subsidiary to establish operational procedures for lending funds to others in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and handle such matters in accordance with the established procedures.
- II. The subsidiary shall prepare a detailed statement of fund lending to others and submit it to the Company for review by the fifth day of each month.
- III. If the subsidiary's internal audit personnel identify significant irregularities, they shall immediately notify the Company in writing, and the Company shall follow up on the handling and subsequent improvements.

Article 13: The Company shall disclose information related to lending funds to others in accordance with the following provisions:

- I. By the tenth day of each month, the Company shall input the fund lending balances of the Company and its subsidiaries for the previous month into the information reporting website designated by the securities regulatory authority.
- II. If the Company's fund lending balance to others meets one of the following thresholds, it shall input the information into the aforementioned reporting website within two days from the date of occurrence (the "date of occurrence" refers to the earliest of the transaction signing date, payment date, Audit Committee approval date, Board of Directors resolution date, or any other date sufficient to determine the recipient and transaction amount):
  - (1) The balance of funds lent to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth, as stated in the most recent financial statements.

- (2) The outstanding balance of loans made by the Company and its subsidiaries to a single enterprise is more than 10% of the Company's most recent net assets according to the financial statements.
- (3) The Company or its subsidiaries have a new loan amount of NT\$10 million or more and more than 2% of the Company's most recent net assets according to the financial statements.

If the shares of a subsidiary have no par value or a par value other than NT\$10 per share, the paid-in capital calculated pursuant to the preceding paragraph shall be determined as the total sum of the share capital plus the capital surplus-issuance premium.

- III. If the Company's subsidiary is not a domestic publicly traded company, the Company is responsible for announcing and reporting the above items on behalf of the subsidiary. The ratio of the subsidiary's fund lending balance to its net worth, as mentioned in the preceding paragraph, shall be calculated based on the subsidiary's fund lending balance as a percentage of the Company's net worth.
- IV. The Company shall, in accordance with generally accepted accounting principles, assess the status of fund lending, set aside an adequate allowance for bad debts, appropriately disclose relevant information in its financial reports, and provide such information to the certifying CPA for the execution of necessary audit procedures.

Article 13-1: The terms "subsidiary" and "parent company" as used in the Operating Procedures shall be determined in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For a publicly issued company whose financial reports are prepared in accordance with International Financial Reporting Standards, the term "net worth," as used in the Operating Procedures, refers to the equity attributable to the owners of the parent company as specified in the balance sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 14: The Operating Procedures shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the shareholders' meeting for approval before implementation. If any director expresses dissent and such dissent is recorded or provided in a written statement, the dissent shall be submitted to the Audit Committee and presented for discussion at the shareholders' meeting. The same shall apply to any



amendments.

When submitting transactions to the board of directors for discussion, full consideration must be given to the opinions of each independent director. If any independent director has an objection or reservation, it shall be recorded in the board meeting minutes.

## Appendix 5

### “Operating Procedures for Making Endorsements/Guarantees” of Hsin-Li Chemical Industrial Corp. (Before Amendment)

- Article 1: All matters related to the Company’s external endorsements/guarantees shall be handled in accordance with the provisions of the Operating Procedures.
- Article 2: The endorsement/guarantee matters referred to in the Operating Procedures are as follows:
- I. Financing Endorsements/Guarantees: They refer to
    1. Financing through the discounting of negotiable instruments.
    2. Endorsements or guarantees made for the purpose of financing another company, including the provision of movable or immovable property as collateral for pledges or mortgages.
    3. Issuance of separate negotiable instruments to non-financial entities as collateral for the Company’s own financing purposes.
  - II. Customs Endorsements/Guarantees: These refer to endorsements or guarantees made for the Company or another company in relation to customs matters.
  - III. Other Endorsements/Guarantees: These refer to endorsements or guarantees that cannot be classified under the preceding 2 paragraphs.
- Article 3: The recipients of the Company’s endorsements/guarantees shall be limited to the following types of corporate entities:
- I. Companies with business relationships with the Company.
  - II. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
  - III. Companies that directly or indirectly hold more than 50% of the Company’s voting shares. Companies in which the Company directly or indirectly holds 90% or more of the voting shares may provide endorsements/guarantees to each other, with the amount not exceeding 10% of the Company’s net worth. However, endorsements/guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to this restriction.
- If the recipient of the Company’s endorsement/guarantee is a subsidiary with a net worth less than half of its paid-in capital, collateral must be obtained, and its risk shall be evaluated

quarterly.

Endorsements/guarantees provided to an investee company by all investing shareholders in proportion to their shareholding percentages due to a joint investment relationship are not subject to the restrictions of the preceding two paragraphs. The term “investment” in the preceding paragraph refers to direct investment by the Company or investment through a company in which the Company holds 100% of the voting shares.

Article 4: Limits on the Company’s Endorsements/Guarantees:

- I. The total amount of endorsements/guarantees provided by the Company to external parties shall not exceed 40% of the current net worth. The limit for endorsements/guarantees to a single enterprise, except for subsidiaries in which the Company directly holds more than 90% of the common stock equity (where the limit shall not exceed 20% of the current net worth), shall not exceed 10% of the current net worth. The net worth shall be based on the most recent financial statements audited or reviewed by a CPA. The aggregate amount of endorsements/guarantees that the Company and its subsidiaries may provide shall not exceed 50% of the Company’s net worth as stated in the most recent financial statements.
- II. For endorsements/guarantees provided to entities with which the Company has a business relationship, in addition to the said limits, the individual endorsement/guarantee amount shall not exceed the number of business transactions between the two parties. The term “amount of business transactions” refers to the higher of the purchase or sales amount between the two parties for the most recent fiscal year, as audited by a CPA.

Article 5: When handling endorsements/guarantees, the Company shall first submit the matter to the Audit Committee for approval and obtain a resolution from the Board of Directors before proceeding. However, the Board of Directors may authorize the Chairman to make decisions within a certain amount, with such decisions subsequently reported to the Board of Directors for ratification.

During the Board’s discussion, the opinions of each independent director shall be fully considered, and their explicit consent or dissent, along with the reasons for dissent, shall be recorded in the minutes of the Board meeting.

If the recipient of the endorsement/guarantee no longer complies with the Operating Procedures or the amount exceeds the limit due to changes in circumstances, an improvement plan shall be formulated,

submitted to the Audit Committee and each independent director, and completed according to the planned timeline.

Article 6: When handling endorsements/guarantees, the responsible department shall first assess the necessity, reasonableness, risks, and impact on the Company's financial condition and shareholders' equity, maintaining evaluation records. If necessary, collateral shall be obtained. A proposal detailing the recipient, type, reasons, and amount of the endorsement/guarantee shall be submitted to the Chairman for approval. The finance department shall record and manage each endorsement/guarantee occurrence and cancellation in the computer system on a monthly basis and print a detailed statement in lieu of a reference log.

Article 7: The special seal used for endorsements/guarantees shall be the company seal registered with the Ministry of Economic Affairs, and the custodian of the seal shall be approved by the Board of Directors, with any changes subject to the same approval. The custodian shall use the seal or issue negotiable instruments only in accordance with the Company's operational procedures. For endorsements/guarantees to foreign companies, the guarantee letter issued by the Company shall be signed by the Chairman or General Manager as authorized by the Board of Directors.

Article 8: The Company's internal audit personnel shall audit the execution of endorsement/guarantee operations at least quarterly and prepare written records. If any irregularities are identified, they shall be corrected promptly. In cases of significant irregularities, the Audit Committee shall be notified in writing immediately, and the responsible personnel shall be disciplined in accordance with the Company's personnel management regulations.

Article 9: Procedures for controlling endorsements/guarantees by the Company's subsidiaries:

- I. If a subsidiary of the Company intends to provide endorsements/guarantees for another company, the Company shall instruct the subsidiary to establish operational procedures for endorsements/guarantees in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and handle such matters in accordance with the established procedures.
- II. The subsidiary shall prepare a detailed statement of endorsements/guarantees provided for other companies for the previous month and submit it to the Company for review by the fifth day of each month.

- III. If the subsidiary's internal audit personnel identify significant irregularities, they shall immediately notify the Company in writing, and the Company shall follow up on the handling and subsequent improvements.

Article 10: By the tenth day of each month, the Company shall input the endorsement/guarantee balances of the Company and its subsidiaries for the previous month into the information reporting website designated by the securities regulatory authority.

Article 11: In addition to announcing and reporting monthly endorsement/guarantee balances as required under Article 10, the Company shall input information into the information reporting website designated by the securities regulatory authority within 2 days from the date of occurrence (the "date of occurrence" refers to the earliest of the transaction signing date, payment date, Audit Committee resolution date, Board of Directors resolution date, or any other date sufficient to determine the recipient and transaction amount) if the endorsement/guarantee amount meets one of the following thresholds:

- I. The endorsement/guarantee balance of the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in the most recent financial statements.
- II. The endorsement/guarantee balance of the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in the most recent financial statements.
- III. The endorsement/guarantee balance of the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more, and the combined total of endorsements/guarantees, long-term investments, and fund lending balances for that enterprise reaches 30% or more of the Company's net worth as stated in the most recent financial statements.
- IV. The new endorsement/guarantee amount added by the Company or its subsidiaries reaches NT\$30 million or more. It constitutes 5% or more of the Company's net worth, as stated in the most recent financial statements.

If the subsidiary's shares have no par value or a par value other than NT\$10 per share, the paid-in capital calculated pursuant to the preceding paragraph shall be determined as the total sum of the share capital plus the capital surplus-issuance premium.

Article 12: If a subsidiary of the Company is not a domestically publicly issued company, and the subsidiary has matters requiring announcement and reporting under Article 11, such announcement and reporting shall be

made by the Company on its behalf. The ratio of the subsidiary's endorsement/guarantee balance to its net worth, as mentioned in the preceding paragraph, shall be calculated based on the subsidiary's endorsement/guarantee balance as a percentage of the Company's net worth.

Article 12-1: The terms "subsidiary" and "parent company" as used in the Operating Procedures shall be determined in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers. For a publicly issued company whose financial reports are prepared in accordance with International Financial Reporting Standards, the term "net worth," as used in the Operating Procedures, refers to the equity attributable to the owners of the parent company as specified in the balance sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 13: The Company shall assess and recognize contingent losses from endorsements/guarantees, appropriately disclose endorsement/guarantee information in its financial reports, and provide relevant information to the CPA for the execution of necessary audit procedures to issue an appropriate audit report.

Article 14: The Operating Procedures shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the shareholders' meeting for approval before implementation. The same shall apply to any amendments. If any director expresses dissent and such dissent is recorded or provided in a written statement, the dissent shall be submitted to the Audit Committee and presented for discussion at the shareholders' meeting. The same shall apply to any amendments.

When submitting transactions to the board of directors for discussion, full consideration must be given to the opinions of each independent director. If any independent director has an objection or reservation, it shall be recorded in the board meeting minutes.

## Appendix 6

### Hsin-Li Chemical Industrial Corp.

#### Directors' Shareholdings

Book closure date: March 25, 2025

Number of shares that shall be held by all directors as required by law: 6,307,021

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 Jing Hong Ltd.: Chang, Yu-Ming	10,000	0.01%	10,000	0.01%
Director	Representative of Jing Hong Ltd.: Chao, Tien-Tsung	10,000	0.01%	10,000	0.01%
Director	Representative of U-Best Innovative Technology Co., Ltd. Huang, Nan-Hao	10,180,219	13.06%	9,850,219	12.49%
Director	Representative of U-Best Innovative Technology Co., Ltd. Cheng, Yu-Tang	10,180,219	13.06%	9,850,219	12.49%
Independent Director	Hsu, Chi-Jeng	0	0%	0	0%
Independent Director	Huang, Ling-Tien	0	0%	0	0%
Independent Director	Huang, Hsiu-Hui	2,000	0.003%	3,000	0.004%
Total shareholding of all directors		10,192,219	13.073%	9,863,219	12.504%

Note: As of March 25, 2025, the Company has issued 78,837,764 shares.

## Appendix 7

### Hsin-Li Chemical Industrial Corp.

The effects that this stock grant has on company business performance, earning per share, and shareholder return on investment

Unit: NT\$

Item		Year	2024
Beginning paid-in capital (NT\$)			NT\$788,377,640
Distribution of dividends during the year (Note 1)	Case dividend per share (NT\$)		1
	Number of shares is distributed in connection with a capital increase out of earnings (shares)		0.2
	Capital surplus to capital allotment per share (shares)		0
Changes in operating performance	Operating income		Note 2
	Percentage increase (decrease) in operating profit compared to the same period last year		
	Net income after tax		
	Percentage increase (decrease) in net profit after tax compared to the same period last year		
	Earnings per share (NT\$)		
	Percentage of increase (decrease) in earnings per share compared to the same period last year		
	Annual average return on investment (reciprocal of average annual price-to-earnings ratio)		
Pro forma earnings per share and price-to-earnings ratio	If all of the capital surplus is transferred to cash dividends	Pro forma earnings per share (NT\$)	Note 2
		Pro-forma average annual return on investment	
	If the capital reserve has not been transferred to the capital	Pro forma earnings per share (NT\$)	
		Pro-forma average annual return on investment	
	If no capital reserve is recorded and the capital surplus is transferred to cash dividends	Pro forma earnings per share (NT\$)	
		Pro-forma average annual return on investment	

Note 1: The estimated share and dividend distribution for 2025 is based on the Board of Directors resolution on February 27, 2025. It shall be implemented in accordance with relevant regulations following approval at the annual shareholders' meeting this year.

Note 2: The Company has not publicly disclosed financial forecasts for 2025. Therefore, there is no requirement to disclose financial forecast information for 2025.