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NAN PAO RESINS CHEMICAL CO., LTD.

Handbook for the 2022 Annual General Shareholders' Meeting

Meeting mode: Physical shareholders meeting

Meeting time: 10 a.m., June 23, 2022

Venue: No. 10, Ln. 99, Nanhai St., Nanhai Vil., Xigang Dist., Tainan City

Notice to readers

This English version handbook is a translation of the Chinese version. This translation is intended for reference only and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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Chapter I. Meeting Procedures

- I. Call the Meeting to Order
- II. Chairman's Remarks
- III. Reported Matters
- IV. Acknowledged Matters
- V. Matters for Discussion
- VI. Extemporaneous Motions
- VII. Meeting Adjournment

Chapter II. Meeting Agenda

Meeting mode: Physical shareholders meeting

Meeting time: 10 a.m., June 23, 2022

Venue: No. 10, Ln. 99, Nanhai St., Nanhai Vil., Xigang Dist., Tainan City

Chairman: Cheng-Hsien, Wu

I. Reported Matters

1. 2021 Business Report
2. Audit Committee's Review Report on the 2021 annual final accounting books and statements
3. Report on 2021 employees' and directors' remuneration

II. Acknowledged Matters

1. Acknowledgment of the 2021 Business Report and Financial Statements
2. Acknowledgment of the 2021 Earnings Distribution

III. Matters for Discussion

1. Amendments to the Company's "Articles of Incorporation"
2. Amendments to the Company's "Rules of Procedure for Shareholders Meetings"
3. Amendments to the Company's "Regulations Governing the Acquisition and Disposal Assets"

IV. Extemporaneous Motions

V. Meeting Adjournment

I. Reported Matters

Item 1: 2021 Business Report

Explanation: Please refer to Attachment 1 on Page 6 to 9.

Item 2: Audit Committee's Review Report on the 2021 annual final accounting books and statements

Explanation: Please refer to Attachment 2 on Page 10.

Item 3: Report on 2021 employees' and directors' remuneration

Explanation: (1) Pursuant to Article 25 of the Company's Articles of Incorporation, before distributing the profit to shareholders, the Company shall allocate 2% to 6% of its profits of the period as employees' remuneration and no more than 3% as directors' compensation.

(2) The 2020 remuneration to employees is proposed to be NT\$36,960 thousands, whilst remuneration to directors is proposed to be NT\$16,000 thousands. The remuneration would be distributed in cash.

(3) There is no different between the proposed amount and the estimated amount of employees' remuneration. Due to estimated difference, the proposed amount of directors' remuneration is less than the estimated amount by NT\$1,600 thousands, and the difference is proposed to be adjusted to the profit and loss of 2022.

II. Acknowledged Matters

Item 1: Acknowledgment of the 2021 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation: (1) The Company's 2021 Financial Statements have been audited by independent auditors, Mr. Hung Ju Liao and Ms. Chi Chen Lee, of Deloitte & Touche. The Business Report and Financial Statements (includes Consolidated Financial Statements) for 2021, both of which were subsequently inspected by Audit Committee.

(2) Please refer to Attachment 1 on Page 6 to 9 and Attachment 3 on Page 11 to 30 for details, and the aforementioned attachments are hereby submitted for recognition.

Resolution:

Item 2: Acknowledgment of the 2021 Earnings Distribution (Proposed by the Board of Directors)

Explanation: (1) The Company's 2021 net income after tax is NT\$875,779,554. The Company proposes to draft Earnings Distribution Plan according to Article 26 of the Company's Articles of Incorporation. Please refer to Attachment 4 on Page 31 for details.

(2) The Company proposes to pay a cash dividend of NT\$6 per share, and cumulative cash dividend payout will be NT\$723,424,680. Cash dividends would be distributed and rounded down to the nearest NT dollar. Dividends distributed under NT\$1 shall be recognized as "Other Income" of the Company.

(3) Upon the approval of the Shareholders' Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, the distribution date, and other relevant issues.

(4) The proposed earning distribution is based on the total number of outstanding shares on the date of the Board of Directors' resolution. In the event of any change to the total number of outstanding shares, it is proposed that the Board of Directors be authorized to resolve the relevant issues.

Resolution:

III. Matters for Discussion

Item 1: Amendments to the Company's "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation: In order to conform to laws and regulations as well as operational needs, the Company hereby proposes to amend the "Articles of Incorporation ". Please refer to Attachment 5 on Page 32 to 39 for details.

Resolution:

Item 2: Amendments to the Company's "Rules of Procedure for Shareholders Meetings" (Proposed by the Board of Directors)

Explanation: In order to conform to laws and regulations, the Company hereby proposes to amend the "Rules of Procedure for Shareholders Meetings". Please refer to Attachment 6 on Page 40 to 52 for details.

Resolution:

Item 3: Amendments to the Company's "Regulations Governing the Acquisition and Disposal Assets" (Proposed by the Board of Directors)

Explanation: In order to conform to laws and regulations as well as operational needs, the Company hereby proposes to amend the "Regulations Governing the Acquisition and Disposal Assets ". Please refer to Attachment 7 on Page 53 to 97 for details.

Resolution:

IV. Extemporary Motions

V. Meeting Adjournment

Chapter III. Attachments

Attachment 1

Nan Pao Resins Chemical Co., Ltd. Business Report for 2021

I. Review of Business Performance in 2021

1. Results of business plan

The total consolidated revenue of 2021 was NT\$ 17.98 billion, an increase of 15.62% from the previous year. The total gross profit was NT\$4.10 billion, a decrease of 6.14% from the previous year. The operating profit was NT\$ 1.05 billion, a decrease of 29.93% from the previous year. The net income was NT\$ 929 million, a decrease of 26.66% from the previous year. Earnings per share after taxes was NT\$7.26.

Unit : NT\$, 000 (EPS lists in dollars)

Item	2021		2020		Variances		
	Amount	%	Amount	%	Amount	%	
Net Operating Revenue	17,980,007	100	15,551,344	100	2,248,663	15.62	
Gross Profit	4,102,045	23	4,370,293	28	(268,248)	(6.14)	
Operating Profit	1,052,194	6	1,501,700	9	(449,506)	(29.93)	
Pre-tax Income	1,202,541	7	1,606,092	10	(403,551)	(25.13)	
Net Income	929,353	5	1,267,122	8	(337,769)	(26.66)	
Net Income attributed to	Shareholders	875,780	5	1,219,753	8	(343,973)	(28.20)
	Not Controlling Interest	53,573	-	47,369	-	6,204	13.10
Earnings Per Share(dollar)	7.26		10.12		(2.86)	(28.26)	

2. Budget Implementation : The Company did not release financial forecasts, so there is no analysis data of budget implementation.

3. Analysis of Financial Revenue and Expenditure and Profitability

Unit : NT\$, 000 ; %

Item	2021	2020
Cash inflow from operating	137,057	1,938,442
Cash outflow from investing	(528,849)	(1,465,195)
Cash inflow (outflow) from fundraising	322,399	(886,469)
Return on Assets (%)	4.27	6.93
Return on Equity (%)	6.77	11.65
Profit before tax to capital stock (%)	99.74	133.21
Net Profit Margin (%)	5.17	8.15

4. Research and Development

In order to pursue continuous growth and enhance innovation, the company has invested in the research and development of high-performance shoe adhesives, functional textile adhesives, adhesives for hygiene products, hot-melt adhesives for building materials, adhesives for flexible packaging materials, and optical pressure-sensitive adhesives. The research and development expenses invested in 2021 accounted for approximately 2.70% of the consolidated revenue.

2021 was the inaugural year for the company to assemble various resources to invest in disclosing ESG efforts. In terms of sustainable development, the company strategizes on focusing on green products, which includes:

- (1) Investment in environmental friendly products, including manufactured solvent-free or water-based products that contain reduced amounts of volatile organic compounds (VOC). Currently, 75% to 80% of the company's footwear adhesives products are low-VOC or zero-VOC.
- (2) Development of high-performance products that contribute positively to the environment, such as plastic free paper coating, used in recyclable and reusable paper cups and paper containers. The company has also developed insulating glass sealant, which can be resistant to sunlight, extreme weather, and moisture, and improve energy efficiency for buildings.
- (3) Development of bio-based and recyclable materials to reduce reliance on fossil fuel raw materials and lower carbon emissions. For example, the company has developed PU and EVA foam with bio-based materials to replace synthetic foam, and bio-based hot melt adhesives used for paper labels lamination on metal cans.
- (4) Currently, environmental-friendly products account for 63% of the company's total product output. In the next few years, the company will increase investment in research and development of green products, strive to develop a low-carbon environment, and continue to pursue sustainable growth.

II. Outline of 2022 Business Plan

1. Business Policy

- (1) Diversified application of products: continuously develop products to enhance potential growth opportunities, expand the application of products in various industries, and explore strategic M&A targets with mutual synergies in order to achieve vertical or parallel integration.
- (2) Reinforcement of ESG: In response to international development trends, ESG strategies are being formulated with the goal of promoting energy conservation and carbon reduction and recognizing how to combat climate change. The disclosure of ESG information will also be strengthened to respond to investors' concerns and enhance sustainable competitiveness between enterprises.

- (3) Investment in research and development: Focus on the connection between environmental sustainability and green products, continue to develop products with sustainable value, and meet environmental and market needs at the same time.
2. Expected sales volume and its basis
The company's sales plan is determined based on contracts, historical sales records and market changes. It is expected that the business target in 2022 will maintain stable growth.
3. Important Production and Marketing Strategies
 - (1) Focusing on industries with high growth opportunities
In terms of the adhesive business, the company will continue to focus on the development of footwear-related chemicals, and will concentrate on the product lines with sizeable addressable markets and growth opportunities, including textiles, non-woven, pressure-sensitive adhesives, woodworking, and food packaging adhesives.
 - (2) Green products and green industry opportunities
The company will continue to develop and promote more environmental-friendly products and take advantage of the opportunities in the green industry under the popular trends of sustainable growth, circular economy, and low carbon emissions. An example is the preliminary results in the company's coating business with new applications in the solar and water industry.
 - (3) Prospective Products Planning
A joint venture subsidiary was formed with a technical staff with expertise in composite materials. The team has taken the company's carbon fiber composite materials and combined composite injection technology to produce carbon fiber reinforced plastic components. The subsidiary has begun obtaining orders for 3C and automotive component products. The company will expand the application of carbon fiber composite materials, and develop a diversified product range, catering to the needs of customers in various industries.

III. The impacts of future developing policies from external competition, legal and macroeconomics

External Competition, Legal Environmental, and Macroeconomical Impact on Future Development Policies

Observing the recent international economic situation, the rapid spread of the new variant, Omicron, around the world bring these epidemic challenges: labor shortages, disrupted supply chains and rising inflation pressures. Looking forward, the global epidemic situation will continue to remain a headline, but with the gradual increase in virus screenings and vaccine coverage, the number of severe cases and deaths has dropped sharply. Therefore, major countries will slowly ease on the strict epidemic prevention measures and the global economy is expected to maintain a steady pace of recovery.

For the future development of the world, it is expected that the supply and demand of the industry will return to a relatively stable state. We will seize the opportunity by accelerating our core technological innovation capabilities and sound financial constitution. Through accumulation of corporate competitiveness, we will strive to implement corporate governance, risk management, and sustainable operations to create sustainable value for all stakeholders.

Due to the uncertainty brought by the development of the epidemic to the overall economy, the company will continue to strengthen its fundamentals, adhere to the highest guiding principles of “leading, integrity, teamwork, and efficiency” for business development, and deepen the company's competitive advantages of “quality first, leading technology, and service oriented”. The company will always pay close attention to domestic and foreign policy development trends and changes in regulations to minimize the adverse impact of external environmental factors. The utmost priority is to maintain operating growth and stable profit performance in order to reward shareholders for their support to the company.

Chairman: Cheng-Hsien, Wu

Manager: Ming-Hsien, Hsu

Accounting Manager: Kun-Chin, Lin

Attachment 2

Nan Pao Resins Chemical Co., Ltd. Review Report of Audit Committee

To: 2022 General Shareholders' Meeting

The Audit Committee has duly inspected and approved the Company's business report, financial statements and earning distribution plan for 2021 prepared and proposed by the Board of Directors, with the financial statements having been audited by independent auditors, Mr. Hung Ju Liao and Ms. Chi Chen Lee, of Deloitte & Touche and issued certification of financial reports. The Audit Committee considered that the business reports, financial statements and earning distribution plan as proposed are fairly present the Company's financial position and results. The aforementioned report is hereby submitted pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Nan Pao Resins Chemical Co., Ltd.

Audit Committee Convener : Yun, Chen

March 24, 2022

Attachment 3

(1) Consolidated Financial Statements **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders
Nan Pao Resins Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Nan Pao Resins Chemical Co., Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion and based on our and other independent auditors' reports (see Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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. Based on our and other independent auditors' reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is detailed as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (o) and 27 the Group's main source of revenue is revenue from the sale of adhesives, coatings, and construction material. Revenue from sale of goods of adhesives department represented approximately 70% of the total operating revenue. We considered the materiality of this to the consolidated financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition, and thus deemed the authenticity of revenue recognition of the customers of adhesives department as a key audit matter.

1. We understood the design of the internal controls related to revenue recognition and tested on a sample basis its operating effectiveness.
2. We selected appropriate samples from the sales receipts of the customers mentioned above, and inspected the sales orders signed by external parties based on the revenue recognition terms, commercial invoices, bill of lading and collections of this customers to check whether the sales actually occurred, and also confirmed whether the transaction counterparty to the sale was the same as the counterparty receiving payment.

Other Matters

Among the subsidiaries included in the consolidated financial statements of the Group, the financial statements of some of the subsidiaries were not audited by us, but were audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries amounted to NT\$3,748,491 thousand and NT\$2,942,030 thousand as of December 31, 2021 and 2020, respectively, accounting for 14% and 15% of total consolidated assets, respectively. Net sales revenue was NT\$3,425,709 thousand and NT\$2,285,742 thousand, respectively, accounting for 19% and 15% of the consolidated net sales revenue, respectively.

We have also audited the parent company only financial statements of Nan Pao Resins Chemical Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matter that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hung-Ju Liao and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 24, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,231,306	13	\$ 3,321,237	17
Financial assets at amortized cost - current (Notes 4, 9, 10, and 36)	1,064,825	4	1,293,135	7
Notes receivable (Notes 4 and 11)	308,657	1	291,955	2
Accounts receivable (Notes 4, 11 and 27)	3,746,166	15	3,334,765	17
Accounts receivable - related parties (Notes 4, 11, 27 and 35)	322,182	1	288,565	1
Other receivables (Notes 4 and 11)	108,967	-	150,688	1
Current tax assets (Note 29)	1,910	-	2,016	-
Inventories (Notes 4 and 12)	2,949,236	11	2,177,074	11
Non-current assets held for sale (Note 4 and 13)	378,477	2	-	-
Other current assets (Note 21)	539,602	2	385,718	2
Total current assets	12,651,328	49	11,245,153	58
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 4 and 7)	36,135	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	6,284,859	24	1,109,267	6
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 36)	127,243	1	125,173	1
Investments accounted for using the equity method (Notes 4 and 15)	-	-	367,753	2
Property, plant and equipment (Notes 4, 16 and 36)	4,931,769	19	4,515,380	23
Right-of-use assets (Notes 4, 17 and 36)	1,040,157	4	1,141,517	6
Investment properties (Notes 4 and 18)	17,760	-	17,760	-
Goodwill (Notes 4, 19 and 31)	238,377	1	117,930	1
Other intangible assets (Notes 4 and 20)	138,482	1	73,379	-
Deferred tax assets (Notes 4 and 29)	346,509	1	328,662	2
Other non-current assets (Note 21)	115,016	-	304,468	1
Total non-current assets	13,276,307	51	8,101,289	42
TOTAL	\$ 25,927,635	100	\$ 19,346,442	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 22 and 36)	\$ 2,157,674	8	\$ 1,346,630	7
Contract liabilities - current (Notes 4 and 27)	44,959	-	30,581	-
Notes payable (Note 23)	1,036	-	14,330	-
Accounts payable (Notes 23 and 35)	2,590,168	10	2,287,370	12
Lease liabilities - current (Notes 4 and 17)	78,256	-	79,930	1
Other payables (Note 35)	912,530	3	809,180	4
Current tax liabilities (Note 29)	178,428	1	251,408	1
Current portion of long-term borrowings (Notes 22 and 36)	193,146	1	55,974	-
Other current liabilities (Notes 24 and 35)	205,724	1	206,627	1
Total current liabilities	6,361,921	24	5,082,030	26
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 17)	471,967	2	476,953	2
Long - term borrowings (Notes 22 and 36)	1,935,075	8	1,669,191	9
Deferred tax liabilities (Notes 4 and 29)	786,425	3	773,682	4
Net defined benefit liabilities - non-current (Notes 4 and 25)	51,816	-	95,701	1
Other non-current liabilities (Note 24)	50,392	-	52,601	-
Total non-current liabilities	3,295,675	13	3,068,128	16
Total liabilities	9,657,596	37	8,150,158	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital - ordinary shares	1,205,707	5	1,205,707	6
Capital surplus	2,101,673	8	2,101,673	11
Retained earnings				
Legal reserve	1,300,961	5	1,178,822	6
Special reserve	313,321	1	313,321	2
Unappropriated earnings	5,021,383	20	5,115,900	26
Total retained earnings	6,635,665	26	6,608,043	34
Other equity	5,334,802	20	351,178	2
Total equity attributable to owners of the Company	15,277,847	59	10,266,601	53
NON-CONTROLLING INTERESTS	992,192	4	929,683	5
Total equity	16,270,039	63	11,196,284	58
TOTAL	\$ 25,927,635	100	\$ 19,346,442	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27 and 35)	\$ 17,980,007	100	\$ 15,551,344	100
OPERATING COSTS (Notes 12, 25, 28 and 35)	<u>13,877,962</u>	<u>77</u>	<u>11,181,051</u>	<u>72</u>
GROSS PROFIT	<u>4,102,045</u>	<u>23</u>	<u>4,370,293</u>	<u>28</u>
OPERATING EXPENSES (Notes 11, 25 and 28)				
Selling and marketing expenses	1,728,521	9	1,533,729	10
General and administrative expenses	832,346	5	826,113	6
Research and development expenses	485,459	3	500,030	3
Estimated credit loss	<u>3,525</u>	<u>-</u>	<u>8,721</u>	<u>-</u>
Total operating expenses	<u>3,049,851</u>	<u>17</u>	<u>2,868,593</u>	<u>19</u>
PROFIT FROM OPERATIONS	<u>1,052,194</u>	<u>6</u>	<u>1,501,700</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Notes 15 and 28)				
Interest income	41,617	-	48,683	-
Other income	137,748	1	157,392	1
Other gains and losses	(7,445)	-	(90,898)	-
Finance costs	(54,797)	-	(58,881)	-
Share of profit of associates	<u>33,224</u>	<u>-</u>	<u>48,096</u>	<u>-</u>
Total non-operating income and expenses	<u>150,347</u>	<u>1</u>	<u>104,392</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,202,541	7	1,606,092	10
INCOME TAX EXPENSE (Notes 4 and 29)	<u>273,188</u>	<u>2</u>	<u>338,970</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>929,353</u>	<u>5</u>	<u>1,267,122</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 25, 26 and 29)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	14,207	-	1,669	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	5,125,642	29	127,882	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,892)</u>	<u>-</u>	<u>(333)</u>	<u>-</u>

(Continued)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
	<u>\$ 5,136,957</u>	<u>29</u>	<u>\$ 129,218</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(203,396)	(1)	(129,736)	(1)
Income tax relating to items may be reclassified subsequently to profit or loss	<u>39,164</u>	<u>-</u>	<u>24,452</u>	<u>-</u>
	<u>(164,232)</u>	<u>(1)</u>	<u>(105,284)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>4,972,725</u>	<u>28</u>	<u>23,934</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,902,078</u>	<u>33</u>	<u>\$ 1,291,056</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 875,780	5	\$ 1,219,753	8
Non-controlling interests	<u>53,573</u>	<u>-</u>	<u>47,369</u>	<u>-</u>
	<u>\$ 929,353</u>	<u>5</u>	<u>\$ 1,267,122</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 5,855,241	33	\$ 1,251,461	8
Non-controlling interests	<u>46,837</u>	<u>-</u>	<u>39,595</u>	<u>-</u>
	<u>\$ 5,902,078</u>	<u>33</u>	<u>\$ 1,291,056</u>	<u>8</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ 7.26</u>		<u>\$ 10.12</u>	
Diluted	<u>\$ 7.24</u>		<u>\$ 10.09</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

(Concluded)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share and Share Issuance Price)

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity			Total	Non-controlling Interests	Total Equity
Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity				
BALANCE AT JANUARY 1, 2020	\$ 1,205,707	\$ 2,103,848	\$ 1,056,002	\$ 313,321	\$ 4,740,757	\$ (390,008)	\$ 711,113	\$ 321,105	\$ 9,740,740	\$ 815,807	\$ 10,556,547
Appropriation of the 2019 earnings (Note 26)											
Legal reserve	-	-	122,820	-	(122,820)	-	-	-	-	-	-
Cash dividends distributed by the Company - \$6 per share	-	-	-	-	(723,425)	-	-	-	(723,425)	-	(723,425)
Net profit for the year ended December 31, 2020	-	-	-	-	1,219,753	-	-	-	1,219,753	47,369	1,267,122
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	1,635	(97,809)	127,882	30,073	31,708	(7,774)	23,934
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,221,388	(97,809)	127,882	30,073	1,251,461	39,595	1,291,056
Changes in percentage of ownership interests in subsidiaries (Note 32)	-	(2,175)	-	-	-	-	-	-	(2,175)	2,175	-
Increase in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	72,106	72,106
BALANCE AT DECEMBER 31, 2020	1,205,707	2,101,673	1,178,822	313,321	5,115,900	(487,817)	838,995	351,178	10,266,601	929,683	11,196,284
Appropriation of the 2020 earnings (Note 26)											
Legal reserve	-	-	122,139	-	(122,139)	-	-	-	-	-	-
Cash dividends distributed by the Company - \$7 per share	-	-	-	-	(843,995)	-	-	-	(843,995)	-	(843,995)
Disposal of financial assets at fair value through other comprehensive income (Notes 8 and 26)	-	-	-	-	(14,640)	-	14,640	14,640	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	875,780	-	-	-	875,780	53,573	929,353
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	10,477	(156,658)	5,125,642	4,968,984	4,979,461	(6,736)	4,972,725
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	886,257	(156,658)	5,125,642	4,968,984	5,855,241	46,837	5,902,078
Increase in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	15,672	15,672
BALANCE AT DECEMBER 31, 2021	\$ 1,205,707	\$ 2,101,673	\$ 1,300,961	\$ 313,321	\$ 5,021,383	\$ (644,475)	\$ 5,979,277	\$ 5,334,802	\$ 15,277,847	\$ 992,192	\$ 16,270,039

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated March 24, 2022)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,202,541	\$ 1,606,092
Adjustments for:		
Depreciation expenses	440,169	405,446
Amortization expenses	30,887	19,149
Estimated credit loss recognized on trade receivables	3,525	8,721
Gain on fair value changes of financial assets at fair value through profit or loss	(11,135)	-
Finance costs	54,797	58,881
Interest income	(41,617)	(48,683)
Dividend income	(66,143)	(46,587)
Share of profit of associates	(33,224)	(48,096)
Loss on disposal of property, plant and equipment	2,271	1,893
Loss on disposal of investments	-	7,438
Write-downs of inventories	73,126	15,233
Loss (Gain) on lease modification	(19)	319
Changes in operating assets and liabilities		
Notes receivable	(16,702)	(11,932)
Accounts receivable	(496,234)	(214,406)
Accounts receivable - related parties	(33,617)	64,806
Other receivables	42,176	40,457
Inventories	(864,303)	11,304
Other current assets	(152,060)	8,877
Other non-current assets	(1,326)	(19,253)
Contract liabilities	14,378	11,707
Notes payable	(13,266)	1,739
Accounts payable	351,616	376,210
Other payables	39,403	(11,492)
Other current liabilities	(903)	38,865
Net defined benefit liabilities	(30,334)	(18,070)
Other non-current liabilities	(2,499)	(4,170)
Cash generated from operations	491,507	2,254,448
Interest received	41,018	46,469
Interest paid	(52,368)	(61,568)
Income tax paid	(343,100)	(300,907)
Net cash generated from operating activities	<u>137,057</u>	<u>1,938,442</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(29,879)	(26,629)
Proceeds from capital reduction of investments accounted for under financial assets at fair value through other comprehensive income	868	315
Net increase of financial assets at amortized cost	-	(616,871)
Net decrease of financial assets at amortized cost	213,353	-
		(Continued)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of financial assets at fair value through profit or loss	\$ (25,000)	\$ -
Net cash outflow on acquisition of businesses	(215,042)	-
Payments for property, plant and equipment	(653,145)	(873,089)
Proceeds from disposal of property, plant and equipment	18,493	4,375
Increase in refundable deposits	(3,555)	-
Decrease in refundable deposits	-	11
Payments for intangible assets	(5,325)	(3,269)
Proceeds from disposal of right - of - use assets	81,740	-
Dividends received	<u>88,643</u>	<u>49,962</u>
Net cash used in investing activities	<u>(528,849)</u>	<u>(1,465,195)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	8,509,599	6,586,369
Repayments of short-term borrowings	(7,679,481)	(6,609,640)
Proceeds from long-term borrowings	2,799,412	3,199,161
Repayments of long-term borrowings	(2,393,135)	(3,353,977)
Proceeds from guarantee deposits received	334	160
Refund of guarantee deposits received	-	-
Repayment of the principal portion of lease liabilities	(52,991)	(57,223)
Cash dividends paid	(861,339)	(751,745)
Changes in non-controlling equity	<u>-</u>	<u>100,426</u>
Net cash generated from (used in) financing activities	<u>322,399</u>	<u>(886,469)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(20,538)</u>	<u>(8,145)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(89,931)	(421,367)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,321,237</u>	<u>3,742,604</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,231,306</u>	<u>\$ 3,321,237</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

(Concluded)

(2) Individual Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nan Pao Resins Chemical Co., Ltd.

Opinion

We have audited the accompanying standalone financial statements of Nan Pao Resins Chemical Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion and based on our and other independent auditors' reports (see Other Matter paragraph), the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our and other independent auditors' reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2021 is detailed as follows:

Authenticity of Revenue Recognition

As stated in Notes 4(n) and 25 the Company's main source of revenue is revenue from the sale of adhesives, coatings, and construction material. Revenue from sale of goods of adhesives department represented approximately 80% of the total operating revenue. We considered the materiality of this to the standalone financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition, and thus deemed the authenticity of revenue recognition of the aforementioned products as a key audit matter.

The key audit procedures performed with respect to the aforementioned key audit matter are as follows:

1. We understood the design of the internal controls related to revenue recognition and tested on a sample basis its operating effectiveness.
2. We selected appropriate samples from the sales receipts of the customers mentioned above, and inspected the sales orders signed by the customers based on the revenue recognition terms, commercial invoices, bill of lading and collections of this customers to check whether the sales actually occurred, and also confirmed whether the transaction counterparty to the sale was the same as the counterparty receiving payment.

Other Matters

Among the standalone financial statements of the Company, the standalone financial statements of some of the invested companies in using equity method were not audited by us, but were audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information, is based solely on the report of other auditors. The total amount of investment accounted for using the equity method amounted to NT\$1,295,650 thousand and NT\$1,038,776 thousand as of December 31, 2021 and 2020, respectively, and both accounting for 6% and 7% of total assets, respectively. The comprehensive income in using equity method was NT\$59,100 thousand and NT\$18,408 thousand as of December 31, 2021 and 2020, respectively, accounting for 1.0% and 1.5% of total comprehensive income, respectively.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements 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 standalone financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matter that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hung-Ju Liao and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 24, 2022

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

Nan Pao Resins Chemical Co., Ltd.

**STANDALONE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 473,941	3	\$ 287,063	2
Financial assets at amortized cost - current (Notes 4, 9 and 10)	509,655	3	534,893	4
Notes receivable (Notes 4 and 11)	237,855	1	190,781	2
Accounts receivable (Notes 4, 11 and 25)	398,621	2	410,632	3
Accounts receivable - related parties (Notes 4, 11, 25 and 33)	878,398	4	910,756	6
Other receivables (Notes 4, 11 and 33)	17,848	-	13,156	-
Inventories (Notes 4 and 12)	677,416	3	466,846	3
Non-current assets held for sale (Notes 4 and 13)	378,477	2	-	-
Other current assets (Note 19)	23,849	-	39,830	-
Total current assets	<u>3,596,060</u>	<u>18</u>	<u>2,853,957</u>	<u>20</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	36,135	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	6,254,904	31	1,080,530	7
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	13,699	-	13,919	-
Investments accounted for using the equity method (Notes 4 and 14)	8,096,299	39	8,403,544	58
Property, plant and equipment (Notes 4 and 15)	2,170,973	11	1,940,046	13
Right-of-use assets (Notes 4 and 16)	26,151	-	32,180	-
Investment properties (Notes 4 and 17)	17,760	-	17,760	-
Other intangible assets (Notes 4 and 18)	24,541	-	29,289	-
Deferred tax assets (Notes 4 and 27)	231,717	1	205,389	2
Other non-current assets (Note 19)	58,613	-	33,226	-
Total non-current assets	<u>16,930,792</u>	<u>82</u>	<u>11,755,883</u>	<u>80</u>
TOTAL	<u>\$ 20,526,852</u>	<u>100</u>	<u>\$ 14,609,840</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 1,326,699	6	\$ 935,174	6
Contract liabilities - current (Note 25)	14,650	-	5,779	-
Notes payable (Note 21)	284	-	5,466	-
Accounts payable (Notes 21 and 33)	841,927	4	646,847	5
Lease liabilities - current (Notes 4 and 16)	6,362	-	6,232	-
Other payables (Notes 22 and 32)	416,461	2	386,036	3
Current tax liabilities (Note 27)	135,500	1	186,570	1
Current portion of long-term borrowing (Note 20)	104,800	1	-	-
Other current liabilities (Notes 22, 25 and 33)	25,693	-	29,889	-
Total current liabilities	<u>2,872,376</u>	<u>14</u>	<u>2,201,993</u>	<u>15</u>
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 16)	20,152	-	26,226	-
Long - term borrowings (Note 20)	1,564,020	8	1,265,382	9
Deferred tax liabilities (Notes 4, 5 and 27)	752,046	4	768,224	5
Other non-current liabilities	2,210	-	3,916	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	38,201	-	77,498	1
Total non-current liabilities	<u>2,376,629</u>	<u>12</u>	<u>2,141,246</u>	<u>15</u>
Total liabilities	<u>5,249,005</u>	<u>26</u>	<u>4,343,239</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital - ordinary shares	<u>1,205,707</u>	<u>6</u>	<u>1,205,707</u>	<u>8</u>
Capital surplus	<u>2,101,673</u>	<u>10</u>	<u>2,101,673</u>	<u>14</u>
Retained earnings				
Legal reserve	1,300,961	6	1,178,822	8
Special reserve	313,321	2	313,321	2
Unappropriated earnings	5,021,383	24	5,115,900	35
Total retained earnings	<u>6,635,665</u>	<u>32</u>	<u>6,608,043</u>	<u>45</u>
Other equity	5,334,802	26	351,178	3
Total equity	<u>15,277,847</u>	<u>74</u>	<u>10,266,601</u>	<u>70</u>
TOTAL	<u>\$ 20,526,852</u>	<u>100</u>	<u>\$ 14,609,840</u>	<u>100</u>

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 33)	\$ 5,359,550	100	\$ 4,635,634	100
OPERATING COSTS (Notes 12, 23 and 33)	<u>4,137,788</u>	<u>77</u>	<u>3,144,066</u>	<u>68</u>
GROSS PROFIT	<u>1,221,762</u>	<u>23</u>	<u>1,491,568</u>	<u>32</u>
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(119,117)	(2)	(183,462)	(4)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>183,462</u>	<u>3</u>	<u>110,569</u>	<u>2</u>
REALIZED GROSS PROFIT	<u>1,286,107</u>	<u>24</u>	<u>1,418,675</u>	<u>30</u>
OPERATING EXPENSES (Notes 26 and 33)				
Selling and marketing expenses	457,914	9	393,784	9
General and administrative expenses	288,199	5	295,390	6
Research and development expenses	186,859	4	198,774	4
Estimated credit loss (gain)	<u>270</u>	<u>-</u>	<u>(2,493)</u>	<u>-</u>
Total operating expenses	<u>933,242</u>	<u>18</u>	<u>885,455</u>	<u>19</u>
PROFIT FROM OPERATIONS	<u>352,865</u>	<u>6</u>	<u>533,220</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4 and 26)				
Interest income	179	-	1,210	-
Other income	77,483	1	107,617	2
Other gains and losses	(1,651)	-	(47,697)	(1)
Finance costs	(21,816)	-	(22,166)	-
Share of profit of subsidiaries and associates	<u>588,582</u>	<u>11</u>	<u>792,780</u>	<u>17</u>
Total non-operating income and expenses	<u>642,777</u>	<u>12</u>	<u>831,744</u>	<u>18</u>
PROFIT BEFORE INCOME TAX	995,642	18	1,364,964	29
INCOME TAX EXPENSE (Notes 4 and 27)	<u>119,862</u>	<u>2</u>	<u>145,211</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>875,780</u>	<u>16</u>	<u>1,219,753</u>	<u>26</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23, 24 and 27)				

(Continued)

Nan Pao Resins Chemical Co., Ltd. and Subsidiaries

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	11,181	-	2,968	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	5,124,424	96	107,602	2
Share of other comprehensive income of subsidiaries accounted for using equity method	2,750	-	19,540	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,236)</u>	<u>-</u>	<u>(593)</u>	<u>-</u>
	<u>5,136,119</u>	<u>96</u>	<u>129,517</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(191,403)	(4)	(122,291)	(3)
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	(4,419)	-	30	-
Income tax relating to items may be reclassified subsequently to profit or loss	<u>39,164</u>	<u>1</u>	<u>24,452</u>	<u>1</u>
	<u>(156,658)</u>	<u>(3)</u>	<u>(97,809)</u>	<u>(2)</u>
Other comprehensive loss for the year, net of income tax	<u>4,979,461</u>	<u>93</u>	<u>31,708</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,855,241</u>	<u>109</u>	<u>\$ 1,251,461</u>	<u>27</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 7.26</u>		<u>\$ 10.12</u>	
Diluted	<u>\$ 7.24</u>		<u>\$ 10.09</u>	

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

(Concluded)

Nan Pao Resins Chemical Co., Ltd.

**STANDALONE STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020**

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Retained Earnings					Other Equity		Total Other Equity	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2020	\$ 1,205,707	\$ 2,103,848	\$ 1,056,002	\$ 313,321	\$ 4,740,757	\$ (390,008)	\$ 711,113	\$ 321,105	\$ 9,740,740
Appropriation of the 2019 earnings (Note 24)									
Legal reserve	-	-	122,820	-	(122,820)	-	-	-	-
Cash dividends distributed by the Company - \$6 per share	-	-	-	-	(723,425)	-	-	-	(723,425)
Net profit for the year ended December 31, 2020	-	-	-	-	1,219,753	-	-	-	1,219,753
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	1,635	(97,809)	127,882	30,073	31,708
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,221,388	(97,809)	127,882	30,073	1,251,461
Changes in percentage of ownership interests in subsidiaries (Note 29)	-	(2,175)	-	-	-	-	-	-	(2,175)
BALANCE AT DECEMBER 31, 2020	1,205,707	2,101,673	1,178,822	313,321	5,115,900	(487,817)	838,995	351,178	10,266,601
Appropriation of the 2020 earnings (Note 24)									
Legal reserve	-	-	122,139	-	(122,139)	-	-	-	-
Cash dividends distributed by the Company - \$7 per share	-	-	-	-	(843,995)	-	-	-	(843,995)
Disposal of financial assets at fair value through other comprehensive income (Notes 8 and 24)	-	-	-	-	(14,640)	-	14,640	14,640	-
Net profit for the year ended December 31, 2021	-	-	-	-	875,780	-	-	-	875,780
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	10,477	(156,658)	5,125,642	4,968,984	4,979,461
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	886,257	(156,658)	5,125,642	4,968,984	5,855,241
BALANCE AT DECEMBER 31, 2021	\$ 1,205,707	\$ 2,101,673	\$ 1,300,961	\$ 313,321	\$ 5,021,383	\$ (644,475)	\$ 5,979,277	\$ 5,334,802	\$ 15,277,847

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche audit report dated March 24, 2022)

Nan Pao Resins Chemical Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 995,642	\$ 1,364,964
Adjustments for:		
Depreciation expenses	148,124	147,743
Amortization expenses	9,828	9,845
Estimated credit loss (gain) recognized on trade receivables	270	(2,493)
Gain in fair value changes of financial assets at fair value through profit or loss	(11,135)	-
Interest income	(179)	(1,210)
Finance costs	21,816	22,166
Dividend income	(65,735)	(45,925)
Write-downs of inventories	59,895	2,848
Share of profit of subsidiaries and associates	(588,582)	(792,780)
Gain on disposal of property, plant and equipment	(410)	(973)
Unrealized gain on the transactions with subsidiaries	119,117	183,462
Realized gain on the transaction with subsidiaries	(183,462)	(110,569)
Gain on lease modification	-	(36)
Changes in operating assets and liabilities		
Notes receivable	(47,074)	(10,053)
Accounts receivable	11,741	(92,246)
Accounts receivable - related parties	32,358	(295,814)
Other receivables	(4,692)	92,511
Inventories	(270,465)	13,563
Other current assets	(5,319)	3,423
Contract liabilities	8,871	(3,651)
Notes payable	(5,615)	(5,382)
Accounts payable	195,080	114,401
Other payables	21,409	36,345
Other current liabilities	(4,196)	4,371
Net defined benefit liabilities	(28,116)	(19,201)
Cash generated from operations	409,171	615,309
Interest received	179	2,176
Interest paid	(21,577)	(22,550)
Income tax paid	(176,510)	(115,934)
Net cash generated from operating activities	<u>211,263</u>	<u>479,001</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	25,458	-
Proceeds from capital reduction of investments accounted for under financial assets at fair value through other comprehensive income	(25,000)	-
Net increase of financial assets at amortized cost	(29,878)	(26,629)
Net decrease of financial assets at amortized cost	868	315

(Continued)

Nan Pao Resins Chemical Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of financial assets at fair value through profit or loss	-	(152,040)
Acquisitions of investments accounted for using the equity method	(51,696)	(28,743)
Proceeds from capital reduction of investments accounted for using the equity method	-	149,450
Payments for property, plant and equipment	(391,167)	(285,389)
Proceeds from disposal of property, plant and equipment	461	973
Payments for intangible assets	(2,634)	(1,479)
Dividends received	<u>658,319</u>	<u>553,615</u>
Net cash generated from investing activities	<u>184,731</u>	<u>210,073</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	6,340,312	5,297,244
Repayments of short-term borrowings	(5,948,787)	(5,072,070)
Proceeds from long-term borrowings	2,720,000	2,794,089
Repayments of long-term borrowings	(2,318,268)	(2,988,000)
Repayment of the principal portion of lease liabilities	(6,473)	(7,917)
Cash dividends paid	(843,995)	(723,425)
Acquisition of additional interest in subsidiaries	<u>(151,905)</u>	<u>(298,549)</u>
Net cash used in financing activities	<u>(209,116)</u>	<u>(998,628)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	186,878	(309,554)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>287,063</u>	<u>596,617</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 473,941</u>	<u>\$ 287,063</u>

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2022)

(Concluded)

Attachment 4**Nan Pao Resins Chemical Co., Ltd.
2021 Earnings Distribution Plan**

Unit : NT\$

Item		Amount
Beginning retained earnings		\$ 4,149,765,414
Net income	\$ 875,779,554	
Defined benefit plan remeasurement on retained earnings	10,476,983	
Dispose of equity instrument investments at fair value through other comprehensive gains and losses, and the accumulated gains and losses are directly transferred to retained earnings	(14,640,000)	
The after-tax net income for the period plus the amount of items adjusted to the current year's undistributed earnings other than after-tax net income for the period		871,616,537
Less: 10% legal reserve		(87,161,653)
Distributable net profit		\$ 4,934,220,298
Distribution item:		
Shareholders dividends - Cash dividends (@\$6/share)		(723,424,680)
Unappropriated retained earnings		\$ 4,210,795,618
Note : The shareholders dividends was calculated based on total outstanding shares, 120,570,780 shares, as of March 24, 2022. Actual dividend per share will be calculated based on the actual issued and outstanding shares as of the ex-dividend date. The total amount of dividend shall remain the same.		

Chairman: Cheng-Hsien, Wu

Manager: Ming-Hsien, Hsu

Accounting Manager: Kun-Chin, Lin

Attachment 5

Nan Pao Resins Chemical Co., Ltd
Comparison Table of
“Articles of Incorporation”

Article	Amended Clauses	Original Clauses
1.	The Company is incorporated in accordance with the regulations on companies limited by shares under the Company Act and named “Nan Pao Resins Chemical Co., Ltd”.	The Company is incorporated in accordance with the regulations on companies limited by shares under the Company Act and named Nan Pao Resins Chemical Co., Ltd.
3.	The Company’s head office is in Tainan City, and may, <u>with the approval of the board of the Board of Directors and the competent authority</u> , set up branches, offices, or factories <u>in appropriate locations</u> within domestic or overseas when deemed necessary.	The Company’s head office is in Tainan City, and may, pursuant to a resolution adopted by the Board of Directors, set up branches, offices, or factories within domestic or overseas when deemed necessary.
4.	The total amount of the Company’s reinvested capital may exceed 40% of the paid-in capital and shall make an external guarantee.	The total amount of the Company’s reinvested capital may exceed 40% of the paid-in capital and shall make an external guarantee for the entities of the same business .
5.	The total capital stock of the Company is 2 billion New Taiwan Dollars, divided into 200 million shares at 10 New Taiwan Dollars each, un issued shares un issued shares <u>authorized to</u> be issued by the resolution of the Board of Directors. A total of 8 million <u>shares among the total shares</u> referred to the preceding paragraph shall be reserved for the issuance of convertible shares of employee stock options.	The total capital stock of the Company is 2 billion New Taiwan Dollars, divided into 200 million shares at 10 New Taiwan Dollars each, un issued shares may be issued by the resolution of the Board of Directors according to actual need . A total of 80 million New Taiwan Dollars among the total capital referred to the preceding paragraph shall be reserved for the issuance of convertible shares of employee stock options.
5.1. (Former Article 7.1.)	The Company <u>buys back treasury shares and</u> transfers its treasury shares to employees, reserves the issuance of common shares in cash for employees to subscribe, issues employee stock option certificates, and issues restricted shares for employee, which could be entitled to the qualified employees of controlled entities or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to decide the conditions and the subscription.	The Company transfers its treasury shares to employees, reserves the issuance of common shares in cash for employees to subscribe, issues employee stock option certificates, and issues restricted shares for employee, which could be entitled to the qualified employees of controlled entities or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to decide the conditions and the subscription.
6.	Shares issued by the Company <u>are</u>	All the shares issued by the Company

Article	Amended Clauses	Original Clauses
	<u>exempt from printing of stock certificates. If the company prints stock certificates, it shall be in registered form and shall be handled in accordance with the provisions of the Company Law and other relevant laws and regulations.</u>	will be name-bearing and signed or sealed by the representative director of the Company. The Company may issue shares without printing share certificates, but shall be in custody or registration under centralized securities depository enterprises.
7. (Former Article 15.)	(The original article is deleted and moved to this article)	The Company's shareholder services affairs are in compliance with Regulations Governing the Administration of Shareholder Services of Public Companies and relevant regulations.
8. (Former Article 7.)	<u>Changes recorded in the shareholder register shall not be made within sixty days before the ordinary shareholders' meeting, within thirty days before the extraordinary shareholders' meeting, or within five days before the base day before the company decides to distribute dividends, bonuses or other benefits.</u>	All changes made to the list of shareholders shall be halted sixty days prior to an upcoming annual shareholders' meeting, thirty days prior to a provisional shareholders' meeting, or five days prior to the base date on which the Company issues dividends, bonuses, or other interests.
9. (Former Article 8.)	Shareholders' meetings of the Company are of two types, namely regular meetings and provisional meetings. Regular meetings shall be convened <u>by the board of directors</u> within six months after the end of each fiscal year. Provisional meetings shall be convened in accordance with relevant laws, rules, and regulations when necessary.	Shareholders' meetings of the Company are of two types, namely regular meetings and provisional meetings. Regular meetings shall be convened at least once a year, within six months after the end of each fiscal year. Provisional meetings shall be convened in accordance with relevant laws, rules, and regulations when necessary.
10. (Former Article 9.)	When the Company holds a shareholders' meeting, it <u>shall exercise its voting right in electronically and may exercise its voting rights in writing.</u> It shall be executed in accordance with relevant laws and regulations. If a shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting <u>and exercise their rights</u> in accordance with Article 177 of the Company Act. <u>The proxy is not limited to the shareholders of the company.</u>	When the Company holds a shareholders' meeting, it may exercise its voting right in writing or electronically. It shall be executed in accordance with relevant laws and regulations. If a shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act. In addition to the compliance with the Company Act, the Company shall make arrangements in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.

Article	Amended Clauses	Original Clauses
11. (Former Article 10.)	<p><u>Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the company shall be convened by the Board of Directors. The Chairman of the Board of directors of the company shall be the Chairman of the shareholders' meeting.</u> When the Chairman of the Board is on leave, the Chairman shall appoint one of the directors to act as the Chair <u>with Article 208 of the Company Act.</u></p>	<p>Shareholders' meetings shall be convened by the Board of Directors and the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave, the Chairman shall appoint one of the directors to act as the Chair. When the Chairman does not make such designation, the directors shall select from among themselves one person to serve as the Chair. If a shareholders' meeting is held by a convener other than the Board of Directors, the convener shall be the Chair. If there are two or more conveners, only one of them shall be appointed to be the Chair.</p>
13. (Former Article 12.)	<p>Unless otherwise stipulated by law, a resolution made at a shareholders' meeting shall be adopted by a majority vote at a meeting attended by shareholders representing half of the total number of shares issued.</p> <p><u>The resolutions of the shareholders' meeting shall be recorded in minutes and handled in accordance with Article 183 of the Company Act.</u></p>	<p>Unless otherwise stipulated by law, a resolution made at a shareholders' meeting shall be adopted by a majority vote at a meeting attended by shareholders representing half of the total number of shares issued.</p>
14. (Former Article 13.)	<p><u>When the company convenes a shareholders' meeting, the shareholders' meeting may be held by video conference. The relevant operating procedures of the video conference shall be handled in accordance with the Company Law and the regulations of the competent authority.</u></p>	<p>The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.</p>
16.	<p>The Board of Directors' meeting shall be convened at least once every quarter.</p> <p><u>The board of directors shall be convened by the chairman of the board of directors, except that the first board of directors of each session shall be convened by the director with the most voting rights representing the votes obtained after re-election.</u></p> <p>A notice specifying the reason for convening a Board meeting shall be sent to all directors seven days before the scheduled meeting day, however a</p>	<p>The Board of Directors' meeting shall be convened at least once every quarter.</p> <p>A notice specifying the reason for convening a Board meeting shall be sent to all directors seven days before the scheduled meeting day, however a Board meeting may be convened on short notice when in emergency circumstances.</p>

Article	Amended Clauses	Original Clauses
	Board meeting may be convened on short notice when in emergency circumstances.	
17. (Former Article 18.)	<p>The Company has established five to nine seats of directors. <u>The number of directors is determined by the board of directors. Among the above-mentioned directors, at least three are independent directors. The election of directors shall be elected from a nomination system by shareholders among a list of nominees for directors. Independent directors and non-independent directors shall be elected together, and the elected quota shall be calculated separately.</u> The directors shall have a term of office of three years and may be re-elected.</p> <p><u>The professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other matters to be complied with for independent directors shall be handled in accordance with relevant laws and regulations.</u></p> <p>The Company may purchase liability insurance for directors, within the scope of business during their term of office.</p>	<p>The Company has established five to nine seats of directors. All directors shall be elected from a nomination system by shareholders among a list of nominees for directors. The directors shall have a term of office of three years and may be re-elected. The Company may purchase liability insurance for directors, within the scope of business during their term of office. Among the above-mentioned directors, the number of independent directors shall not be less than three, shall not be less than one-fifth of the seats of the directors, and shall be elected by shareholders among a list of nominees for independent directors. The professional qualifications, shareholding, the prohibition on positions held at other companies, nomination and selection process, and other matters of the Company's Independent Directors, are processed in compliance with relevant regulations of competent securities authorities.</p>
17.1. (Former Article 22.)	<p><u>In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company's Board of Directors may establish different types of functional committees. The Board of Directors is authorized to decide the qualification of members, powers of office and related matters in accordance with relevant regulations. The Audit Committee is established by the Company to replace the duties of Supervisors and The audit committee shall be composed of the entire independent directors and shall be responsible for implementing the supervisory functions and powers stipulated by the Company Law, the Securities and Exchange Law and other laws and regulations.</u></p>	<p>The Company's Board of Directors may establish different types of functional committees. The Board of Directors is authorized to decide the qualification of members, powers of office and related matters in accordance with relevant regulations. The Audit Committee is established by the Company to replace the duties of Supervisors and shall be composed of the entire independent directors.</p>
18. (Former	<u>The remuneration of directors shall be determined by the authorized board of</u>	When the directors of the Company perform the duties on behalf of the

Article	Amended Clauses	Original Clauses
Article 17.)	<u>directors according to their participation in the company's operations and the value of their contributions, and with reference to domestic and foreign industry standards.</u>	Company, whether the Company makes a profit or loss, the Company shall compensate the directors and authorize the Board of Directors to set a compensation standard based on the value of their participation in and contribution to the operation of the Company within the highest standard set in the Company's Procedure for Compensation Management (industry standard).
19.	<u>Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.</u>	(This article is newly added)
20. (Former Article 19.)	The directors shall elect from among themselves a chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the directors. <u>The chairman is the chairman of the board of directors and represents the company externally.</u> When the chairman of the Board <u>asks for leave</u> or for any reason is unable to exercise the powers of the chairman, one of the directors shall be appointed to act as the chair by the chairperson. When the chairman does not make such appointment, directors shall elect one person from among themselves to serve as the chair.	The directors shall elect from among themselves a chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the directors. The chairman of the Board of Directors shall carry out all affairs of the Company in accordance with law and regulations and the resolutions of the shareholders' meetings and the Board of Directors' meetings. When the chairman of the Board is on leave or for any reason is unable to exercise the powers of the chairman, one of the directors shall be appointed to act as the chair by the chairperson. When the chairman does not make such appointment, directors shall elect one person from among themselves to serve as the chair.
(Former Article 20.)	(This article is deleted)	The Company's business policy and other material issues shall be determined by the Board of Directors. Except for the first Board meeting of every term of the newly elected Board of Directors, which shall be convened pursuant to Article 203 of the Company Law, meetings of the Board of Directors shall be convened by the chairman of the Board of Directors. In the absence of the chairman, one of the attending directors shall be elected as the proxy.

Article	Amended Clauses	Original Clauses
21.	<p>The directors shall appoint another director as proxy <u>in writing</u> to attend the <u>board meeting, and may exercise voting rights on behalf of all matters raised at the meeting.</u> The proxy can only accept a proxy from one person. Attending via video conferencing is deemed as attending in person.</p>	<p>When a meeting of the Board of Directors is held, the directors shall attend the meeting in person. If a director is unable to attend in person, the director may appoint another director as proxy to attend the meeting, and shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda. The proxy can only accept a proxy from one person. Attending via video conferencing is deemed as attending in person. The resolutions of a Board of Directors' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. A copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall record the gist of proceedings and its results. The minutes, attendance book, and the power of attorney for deputy attendance shall be kept at the Company.</p>
22.	<p><u>Directors shall exercise their powers in accordance with the resolutions adopted by the board of directors and the shareholders' meeting.</u> <u>When the vacancy of directors reaches one-third of the total number for any reason, the board of directors shall convene a shareholders' meeting in accordance with the law to elect them.</u> <u>Except for the general re-election of directors, the term of office of the new director shall be extended to the expiration of the original term.</u></p>	<p>(This article is newly added)</p>
23.	<p>The Company have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.</p>	<p>The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.</p>
24.	<p><u>The fiscal year of the Company starts from January 1st to December 31st of each year.</u> After the close of each fiscal year, the following reports shall be compiled by the Board of Directors</p>	<p>After the close of each fiscal year, the following reports shall be compiled by the Board of Directors and submitted to the shareholders for acceptance: 1. Business Report;</p>

Article	Amended Clauses	Original Clauses
	<p>and submitted to the shareholders for acceptance:</p> <ol style="list-style-type: none"> 1. Business Report; 2. Financial Statement; 3. Proposal Concerning Appropriation of Earnings or Covering of Losses. 	<ol style="list-style-type: none"> 2. Financial Statement; 3. Proposal Concerning Appropriation of Earnings or Covering of Losses.
25.	<p>The Company shall set aside 2% to 6% of its annual profits as remuneration to its employees and no more than 3% of its annual profits as remuneration to its directors. <u>However, if the company still has accumulated losses, it should reserve the compensation amount in advance.</u></p> <p>Employees' remuneration may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions <u>set by the board of directors or its authorized persons.</u></p> <p>Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.</p>	<p>The Company shall set aside 2% to 6% of its annual profits as remuneration to its employees and no more than 3% of its annual profits as remuneration to its directors. However, the Company shall have reserved a sufficient amount to offset its accumulated losses before the distribution of remuneration to employees and directors as per the percentage mentioned above.</p> <p>Employees' remuneration may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions. The Board of Directors is authorized to decide the conditions and the subscription.</p> <p>Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.</p>
26.	<p>If there are earnings <u>distribution</u>, the Company shall distribute the earnings in the following order:</p> <ol style="list-style-type: none"> 1. Paying the tax. 2. Offsetting losses. 3. Setting aside a legal capital reserve at 10% of the earnings left over, <u>except when the statutory surplus reserve has reached the company's paid-in capital.</u> 4. <u>The special surplus reserve recognized or reversed in accordance with law and regulations or supervisory authorities</u> 5. <u>If there is still surplus, together with the accumulated undistributed surplus, it is proposed to distribute the surplus in a distribution plan.</u> 	<p>If there are earnings after the close of the fiscal year, the Company shall distribute the earnings in the following order:</p> <ol style="list-style-type: none"> 1. Paying the tax. 2. Offsetting losses in previous years. 3. Setting aside a legal capital reserve at 10% of the earnings left over. 4. Other special surplus reserve recognized or reversed in accordance with law and regulations or supervisory authorities 5. After the Company has set aside the capital reserves pursuant to the preceding paragraphs, a distribution motion regarding the earnings left over shall be prepared by the Board of Directors, and submitted to the

Article	Amended Clauses	Original Clauses
	<p><u>The company's surplus distribution or loss appropriation may be made after the end of each quarter. If the surplus distribution is paid in cash, it shall be decided by the board of directors in accordance with the provisions of Article 228-1 and Article 240-5 of the Company Law It is not necessary to submit to the shareholders' meeting for approval.</u></p> <p>The Company is at the steady growth stage of its business, and for future business expansion plans, the dividend distribution shall not be less than 10% of the remaining profits of the current year. <u>The distribution of earnings can be made in the form of cash dividends or stock dividends, with cash dividends taking priority and also in the form of stock dividends, but the proportion of stock dividends shall not be higher than 80% of the total dividends.</u></p> <p>However, in order to maintain the Company's earnings per share, the impact of stock dividends on the Company's business performance shall be taken into account. If the annual earnings per share of the dividend payment is more than 20% lower than the previous year, a proposal regarding the earning distribution, in which the dividend payout amount and ratio are appropriately adjusted, shall be prepared by the Board of Directors and submitted to the shareholders for a resolution.</p>	<p>shareholders for a resolution.</p> <p>The Company is at the steady growth stage of its business, and for future business expansion plans, the dividend distribution shall not be less than 10% of the remaining profits of the current year. The distribution of earnings shall be made by cash dividend and stock dividend, with cash dividends ranging from 20% to 100% and stock dividends ranging from 0% to 80%.</p> <p>However, in order to maintain the Company's earnings per share, the impact of stock dividends on the Company's business performance shall be taken into account. If the annual earnings per share of the dividend payment is more than 20% lower than the previous year, a proposal regarding the earning distribution, in which the dividend payout amount and ratio are appropriately adjusted, shall be prepared by the Board of Directors and submitted to the shareholders for a resolution.</p>
29.	<p>Revision history: <u>the forty-ninth amendment was made on June 23, 2022.</u></p>	<p>Revision history:</p>

Attachment 6

Nan Pao Resins Chemical Co., Ltd
Comparison Table of
“Rules of Procedure for Shareholders Meetings”

Article	Amended Clauses	Original Clauses	Note
5.1.	<p>5.1.1. <u>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</u> This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent.</p> <p><u>The procedure manual and supplementary materials for the meeting mentioned in the</u></p>	<p>5.1.1. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021. 2. In according to” Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>preceding paragraph, the company shall follow the following methods on the day of the shareholders' meeting</u> Provide shareholders with reference:</p> <p>A. <u>When holding a physical shareholder meeting, it should be distributed on the spot of the shareholders meeting.</u></p> <p>B. <u>When holding a video-assisted shareholders meeting, it should be distributed on the spot of the shareholders' meeting and sent to the video conference platform as an electronic file.</u></p> <p>C. <u>When holding a video conference of shareholders, the electronic file should be sent to the video conference platform.</u></p> <p>5.1.4. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>5.1.6. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals <u>in writing or electronically</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p>	<p>5.1.4. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>5.1.6. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p>	
5.2.	<p><u>5.2.3</u> <u>After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting by</u></p>	(New Paragraph on this article)	The Announcement of No. 1100001446 from TWSE

Article	Amended Clauses	Original Clauses	Note
	<u>video conferencing shall notify the company in writing of the revocation of the proxy two days before the shareholders' meeting.</u>		issued on January 28, 2021.
5.3.	<p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>When the company convenes a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.</u></p>	<p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.</p>
5.4.	<p>This Corporation shall specify in its shareholders meeting notices the time during which <u>shareholders, solicitors, and entrusted agents (hereinafter referred to as shareholders)</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>5.4.1. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>The video conference of the shareholders' meeting shall be accepted for registration on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting, and shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p>	<p>This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>5.4.1. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.</p> <p>2. In accordance to "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings"</p>

Article	Amended Clauses	Original Clauses	Note
	<p>5.4.3 This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, <u>attendance certificate</u>, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>5.4.4. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p><u>5.4.6</u> <u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the company two days before the shareholders' meeting.</u></p> <p><u>5.4.7.</u> <u>If the shareholders' meeting is held by video conference, the company shall upload the procedure manual, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u></p>	<p>5.4.3 This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>5.4.4. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>(New Paragraph on this article)</p> <p>(New Paragraph on this article)</p>	
5.5.	<u>When the company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:</u>	(New Paragraph on this article, and adjusted other articles' order accordingly)	The Announcement of No. 1100001446 from TWSE issued on

Article	Amended Clauses	Original Clauses	Note
	<p>(1) <u>Shareholders' participation in video conferences and methods for exercising their rights.</u></p> <p>(2) <u>The handling of obstacles due to natural disasters, incidents or other force majeure events to the video conference platform or participation in video conferences, including at least the following:</u></p> <p>A. <u>The occurrence of antecedent obstacles persists and cannot be ruled out, and the time when the meeting must be postponed or renewed, and the date when the meeting must be postponed or resumed.</u></p> <p>B. <u>Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the extension or continuation of the meeting.</u></p> <p>C. <u>Holding a video-assisted shareholders meeting. If the video conference cannot be continued, after deducting the number of shares attending the shareholders meeting by video, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the shareholders meeting should continue. , the number of shares attended shall be included in the total number of shares of shareholders present, and all resolutions of the shareholders' meeting shall be deemed as abstentions.</u></p> <p>D. <u>In the event that all the motions have been announced, but no provisional motion has been made, the handling</u></p>		<p>January 28, 2021.</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>method.</u></p> <p>(3) <u>Hold a video-conference shareholders meeting and specify appropriate alternatives to shareholders who have difficulty participating in video-conference.</u></p>		
5.7. (Former Article 5.6.)	<p><u>5.7.2.</u></p> <p><u>If the shareholders' meeting is held by video conference, the company shall record and preserve the shareholders' registration, registration, questioning, voting and company vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire video conference.</u></p> <p><u>The above-mentioned materials and audio and video recordings shall be properly preserved by the company during the period of existence, and the audio and video recordings shall be provided to those who are entrusted to handle video conference affairs for preservation.</u></p> <p><u>If the shareholders' meeting is held by video conference, the company should record and record the background operation interface of the video conference platform.</u></p>	(New Paragraph on this article)	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.</p> <p>2. Article changes.</p>
5.8. (Former Article 5.7.)	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book, <u>the paid-in sign-in card and the video conferencing platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>5.8.1.If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the</p>	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>5.7.1.If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.</p> <p>2. Article changes.</p>

Article	Amended Clauses	Original Clauses	Note
	<p>meeting adjourned. <u>If the shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of the shareholders' meeting.</u></p> <p>5.8.2 all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>If the shareholders meeting is held by video conference, shareholders who want to attend by video conference should re-register with the company in accordance with Article 5.4.</u></p>	<p>the meeting adjourned.</p> <p>5.7.2. all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p>	
<p>5.10. (Former Article 5.9.)</p>	<p><u>5.10.5</u> <u>If the shareholders meeting is held by video conference, the shareholders participating by video conference may ask questions in text form on the video conference platform of the shareholders meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting. The limit is 200 words, and the provisions of 5.10. to 5.10.3. do not apply.</u> <u>If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advisable to expose the question on the video conference platform of the shareholders' meeting for public knowledge.</u></p>	<p>(New Paragraph on this article)</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021. 2. Article changes.</p>
<p>5.12. (Former Article 5.11.)</p>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, <u>paragraph 2</u> of the Company Act.</p> <p>5.12.1. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights <u>in</u></p>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179 of the Company Act.</p> <p>5.14.1. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021. 2. In according to" Sample Template for XXX Co., Ltd. Rules of</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>writing</u>. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.....</p> <p>5.12.3. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or by video</u>,</p> <p>5.12.8. <u>The company convened a video conference of the shareholders' meeting. Shareholders who participated by video should conduct voting on various resolutions and voting on election proposals through the video conference platform after the chairman announces the meeting. The voting should be completed before the chairman announces the close of voting, deemed a waiver.</u> <u>If the shareholders meeting is held by video conference, after the chairman announces the close of voting, the votes shall be counted at one time, and the voting and election results shall be announced.</u></p> <p>5.12.9. <u>When the company holds a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by video-conference in accordance with the provisions of 5.4. If they want to attend the physical shareholders' meeting in person, they should cancel the registration in the same way as the registration two days before the shareholders' meeting; Those who revoke can only attend the shareholders meeting by video.</u></p>	<p>by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.....</p> <p>5.14.3. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person,</p> <p>(New Paragraph on this article)</p> <p>(New Paragraph on this article)</p>	<p>Procedure for Shareholders Meetings” 3. Article changes.</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>5.12.10. Those who exercise their voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by video conferencing shall not exercise their voting rights on the original proposal or propose amendments to the original proposal or exercise the voting rights for amendments to the original proposal, except for temporary motions.</u></p>	(New Paragraph on this article)	
<p>5.14. (Former Article 5.13.)</p>	<p><u>5.14.3. If the shareholders' meeting is held by video conference, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the record, and the name of the chairman of the shareholders' meeting, as well as the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing.</u> <u>In addition to complying with the provisions of the preceding paragraph when convening a video-conference shareholders meeting, the Company shall specify in the minutes of the meeting the alternative measures provided by shareholders who have difficulty participating in video-conference.</u></p>	(New Paragraph on this article)	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021. 2. Article changes.</p>
<p>5.15. (Former Article 5.14.)</p>	<p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <u>and the number of shares attended by shareholders in writing or electronically</u>, and shall make an express disclosure of the same at the place of the</p>	<p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p>	<p>1. The Announcement of No. 1100001446 from TWSE issued on January 28, 2021. 2. Article changes.</p>

Article	Amended Clauses	Original Clauses	Note
	<p>shareholders meeting. <u>If the shareholders' meeting is held by video conference, the company shall upload the aforesaid information to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.</u></p> <p>5.15.1. <u>The company holds a video conference of the shareholders' meeting. When announcing the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the meeting.</u></p>	<p>5.14.1. (New Paragraph on this article, and adjusted other articles' order accordingly)</p>	
5.18.	<p><u>If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations, and shall continue to disclose for at least 15 years after the chairman announces the adjournment of the meeting. minute.</u></p>	(New Paragraph on this article)	The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.
5.19.	<p><u>When the company holds a video-video shareholders meeting, the chairman and the recorder shall be at the same place in China, and the chairman shall announce the address of the place at the time of the meeting.</u></p>	(New Paragraph on this article)	The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.
5.20.	<p><u>If the shareholders' meeting is held by video conference, the company may provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical communication problems.</u></p>	(New Paragraph on this article)	The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.

Article	Amended Clauses	Original Clauses	Note
	<p><u>5.20.1.</u> <u>If the shareholders' meeting is held by video conference, the chairman shall, when announcing the meeting, separately announce that there is no need for postponement or continuation of the meeting as stipulated in Paragraph 24 of Article 44-24 of the Share Handling Standards for Companies Offering Shares Publicly. Before the meeting, due to natural disasters, incidents or other force majeure events, if there is an obstacle to the video conference platform or participation by video, which lasts for more than 30 minutes, the date of the meeting should be postponed or renewed within five days. The first company law does not apply. The provisions of Article 182.</u> <u>In the event of the occurrence of the preceding paragraph, the meeting shall be postponed or continued. Shareholders who have not registered to participate in the original shareholders meeting by video conference shall not participate in the postponed or continued meeting.</u></p> <p><u>5.20.2.</u> <u>The meeting should be postponed or continued in accordance with the provisions of 5.20.1. Shareholders who have registered to participate in the original shareholders meeting by video and have completed the registration, but have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the adjourned or continued meeting.</u></p> <p><u>5.20.3</u> <u>In accordance with the provisions of 5.20.1, when the shareholders'</u></p>		

Article	Amended Clauses	Original Clauses	Note
	<p><u>meeting is postponed or reconvened, the voting and counting of votes have been completed, and the voting results or the list of elected directors and supervisors are not required to be re-discussed or resolved.</u></p> <p><u>5.20.4.</u> <u>The company convened a video-assisted shareholders meeting. When the video conference cannot be continued on 5.20.1, if the total number of shares attended by video conference still reaches the legal quota for the shareholders meeting after deducting the number of shares attending the shareholders meeting by video, the shareholders meeting shall continue. There is no need to postpone or renew the assembly in accordance with the second paragraph.</u> <u>In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting by video conference, the number of shares attended shall be included in the total number of shares of the shareholders present, but all the resolutions of the shareholders' meeting shall be regarded as abstention.</u></p> <p><u>5.20.5.</u> <u>The company shall postpone or renew the meeting in accordance with the provisions of 5.20.1, and shall handle the relevant matters in accordance with the provisions set out in Article 44-27 of the Share Handling Standards for Public Offering Companies, and the date of the original shareholders meeting and the provisions of each of these articles. Pre-work.</u></p> <p><u>5.20.6.</u> <u>The latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Power of</u></p>		

Article	Amended Clauses	Original Clauses	Note
	<u>Attorney for Public Offering Companies to Attend Shareholders' Meetings, and Paragraph 2 of Article 44-5 and Article 44-10 of the Guidelines for the Handling of Share Transactions of Public Offering Companies 5. During the period specified in Paragraph 1 of Article 44-17, the company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of 5.20.1.</u>		
5.21.	<u>When the company convenes a video conference of shareholders, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by video.</u>	(New Paragraph on this article)	The Announcement of No. 1100001446 from TWSE issued on January 28, 2021.
8.	Revision history: (Omitted) <u>Implemented after the revision of version 1.3 was resolved by the board of directors on March 24, 2022 and approved by the Shareholders' Meeting on June 23, 2022.</u>	Revision history: (Omitted)	Add the last revision date

Attachment 7

**Nan Pao Resins Chemical Co., Ltd
Comparison Table of**

“Regulations Governing the Acquisition and Disposal Assets”

Article	Amended Clauses	Original Clauses	Note
2.2.	Real estate (including land, houses and buildings, investment real estate, and inventories in the construction industry) and equipment.	Real estate (including land, houses and buildings, investment real estate, land use rights , and inventories in the construction industry) and equipment.	Delete the items listed in 2.5.
3.7.	<u>Professionals specializing in investment: refers to financial holding companies, banks, insurance companies, securities finance companies, trust companies, securities firms operating proprietary or underwriting businesses, and proprietary companies that are established in accordance with the law and managed by the local financial competent authority. Business futures brokers, securities investment trust enterprises, securities investment consulting enterprises and fund management companies.</u>	(New Paragraph on this article)	With reference to the scope of professional institutional investors in Article 3 of the Overseas Structured Commodities Management Rules, the scope of investment professionals shall be specified.
3.8.	<u>Stock exchange: domestic stock exchange, refers to the Taiwan Stock Exchange Co., Ltd.; foreign stock exchange, refers to any organized and managed securities exchange market by the country's securities authority.</u>	(New Paragraph on this article)	With reference to Article 5 of the Regulations on the Administration of Securities Firms' Entrusted Trading of Foreign Securities and Article 2 of the Regulations on the Administration of the Trading of Securities on the Business Offices of Securities

Article	Amended Clauses	Original Clauses	Note
			Firms, the scope of domestic and overseas stock exchanges and business offices of securities firms shall be clearly defined.
3.9.	<u>Business office of a securities firm: The business office of a domestic securities firm refers to a place where securities firms set up special counters to conduct transactions in accordance with the Measures for the Administration of Securities Dealers' Business Offices; The business premises of the financial institution where the business is conducted.</u>	(New Paragraph on this article)	With reference to Article 5 of the Regulations on the Administration of Securities Firms' Entrusted Trading of Foreign Securities and Article 2 of the Regulations on the Administration of the Trading of Securities on the Business Offices of Securities Firms, the scope of domestic and overseas stock exchanges and business offices of securities firms shall be clearly defined.
3.10. (Former Article 3.7.)	<u>The provisions on the percentage of total assets or net worth shall be calculated based on the amount of total assets or net worth in the most recent individual or individual financial report stipulated in the financial</u>	The 40% of total assets stipulated in these Regulations shall be calculated based on the amount of total assets in the company's most recent individual financial report.	Amend the definition description in accordance with the provisions

Article	Amended Clauses	Original Clauses	Note
	<u>reporting standards of securities issuers.</u>		of Article 35 of the Standards for the Handling of Assets Acquired or Disposed by Public Companies.
5.1.	<u>Investment in non-business real estate and its right-of-use assets or marketable securities quota</u> <u>5.1.1 The respective quotas for the Company and its subsidiaries to obtain the above assets are determined as follows:</u> <u>(1) The total amount of non-business real estate and its right-of-use assets shall not exceed 15% of the net value.</u> <u>(2) The total amount and individual limit of investment in long-term and short-term securities shall not be higher than the paid-in capital and total assets, whichever is higher.</u> <u>(3) The investment amount of the above-mentioned securities refers to the accumulated investment cost.</u>	(New Paragraph on this article)	In accordance with the provisions of the IFRS No. 16 Lease Bulletin, non-operating real estate use rights assets are included in the calculation of the limits set by the company's processing procedures.
5.2. (Former Article 5.1.)	<p>In the valuation report or the opinion of the accountants, lawyers or securities underwriters obtained by the company, the professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements:</p> <p>(1) Have never been sentenced to fixed-term imprisonment of not less than one year for violating this Law, the Company Law, the Banking Law, the Insurance Law, the Financial Holding Company Law, or the Commercial Accounting Law, or for fraud, breach of trust, embezzlement, forgery of documents, or business crimes Sure. However, this is not the case if three years have elapsed since the completion of the execution, the expiration of the</p>	<p>In the valuation report or the opinion of the accountants, lawyers or securities underwriters obtained by the company, the professional appraisers and their appraisers, accountants, lawyers or securities underwriters shall meet the following requirements:</p> <p>1- Have never been sentenced to fixed-term imprisonment of not less than one year for violating this Law, the Company Law, the Banking Law, the Insurance Law, the Financial Holding Company Law, or the Commercial Accounting Law, or for fraud, breach of trust, embezzlement, forgery of documents, or business crimes Sure. However, this is not the case</p>	<p>1. Article changes.</p> <p>2. In accordance with the amendments made by the Financial Regulatory Commission Jinguan Zhengfa Zi No. 1110380465 on January 28, 2022</p>

Article	Amended Clauses	Original Clauses	Note
	<p>suspended sentence, or the pardon.</p> <p>(2)The parties to the transaction shall not be related parties or have substantial related parties.</p> <p>(3)If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related persons or have substantial relationships with each other.</p> <p>When issuing a valuation report or opinion, the person referred to in the preceding paragraph shall handle <u>the self-discipline regulations of their respective trade associations and the following matters:</u></p> <p>(1)Before accepting a case, they should carefully evaluate their professional ability, practical experience and independence.</p> <p>(2)When <u>executing</u> a case, it should properly plan and implement the appropriate operation process to form a conclusion and issue a report or opinion letter based on it; and publish the implemented procedures, collected data and conclusions in the case working papers in detail.</p> <p>(3)Regarding the sources of data, parameters and information used, the <u>appropriateness</u> and rationality of each item shall be evaluated as the basis for issuing the appraisal report or opinion letter.</p> <p>(4)Matters declared shall include the professionalism and independence of the relevant personnel, the fact that the information used has been assessed to be <u>appropriateness and reasonable</u>, and the compliance with relevant laws</p>	<p>if three years have elapsed since the completion of the execution, the expiration of the suspended sentence, or the pardon.</p> <p>2-The parties to the transaction shall not be related parties or have substantial related parties.</p> <p>3- If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related persons or have substantial relationships with each other.</p> <p>When issuing a valuation report or opinion, the person referred to in the preceding paragraph shall handle the following matters:</p> <p>1- Before accepting a case, they should carefully evaluate their professional ability, practical experience and independence.</p> <p>2- When checking a case, it should properly plan and implement the appropriate operation process to form a conclusion and issue a report or opinion letter based on it; and publish the implemented procedures, collected data and conclusions in the case working papers in detail.</p> <p>3-Regarding the sources of data, parameters and information used, the completeness, correctness and rationality of each item shall be evaluated as the basis for issuing the appraisal report or opinion letter.</p> <p>4- Matters declared shall include the professionalism and independence of the relevant personnel, the fact that the information used has been assessed to be</p>	

Article	Amended Clauses	Original Clauses	Note
	and regulations, etc.	reasonable and correct, and the compliance with relevant laws and regulations, etc.	
(Former Article 5.2.)	(This item is deleted, and it is planned to set the authorization level according to the nature of the assets in the future)	The acquisition or disposal of assets by the company can only be done after the responsible unit submits it for approval through the signature/electronic signature system in accordance with the verification authority. If an evaluation is required, it shall be handled in accordance with the relevant regulations.	This item is deleted, and it is planned that the authorization level will be individually determined according to the nature of the assets.
(Former Article 5.3.)	(This item is deleted and expressed in 5.1. Summary)	The amount of assets acquired or disposed of: 5.3.1. Non-business real estate and its right-to-use assets: (1) The total amount of real estate and right-of-use assets purchased by the company not for business use shall not exceed 40% of the paid-in capital. (2) The total amount of non-operating real estate and right-of-use assets purchased by a subsidiary company shall not exceed 20% of its paid-in capital. 5.3.2. Marketable Securities: (1) The total amount and individual limit of the long-term and short-term marketable securities invested by the company and its subsidiaries shall not be higher than the paid-in capital and total assets, whichever is higher. (2) The company accepts the shares obtained by the investee company through allotment of surplus or capital increase, and is not included in the calculation of the total investment in this item.	This item is deleted and expressed in 5.1. Summary
5.3.	<u>The acquisition or disposal of assets by the company should be approved by the board of directors in accordance with the prescribed handling procedures or other legal provisions. If a director expresses objection and</u>	(New Paragraph on this article)	The authorization level shall be determined in accordance

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	<p><u>has a record or written statement, the company shall submit the director's objection information to the audit committee.</u> <u>The company has set up independent directors. When reporting the acquisition or disposal of assets to the board of directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of each independent director shall be fully considered. If any independent director has any objection or reservation, it shall be stated in the minutes of the board meeting.</u> <u>The company has set up an audit committee. For major asset or derivative product transactions, more than one-half of all members of the audit committee shall agree to submit a resolution of the board of directors, and the provisions of 5.15.1. 4th and 5th shall apply mutatis mutandis.</u></p>		<p>with the provisions of Article 8 of the Guidelines for the Handling of Assets Acquired or Disposed by Public Issuing Companies.</p>
5.4.	<p><u>Procedures for the acquisition or disposal of real property, equipment or right-of-use assets</u></p> <p><u>5.4.1. Evaluation and operating procedures</u> <u>The acquisition or disposal of real estate, equipment or its right-to-use assets by the company shall be handled in accordance with the company's internal control system for real estate, plant and equipment.</u> <u>5.4.2. Procedure for determining transaction conditions and authorization amount</u> <u>(1) To acquire or dispose of real estate or its right-of-use assets, the transaction conditions and transaction prices should be determined with reference to the published present value, assessed value, actual transaction price of adjacent real estate, etc., and an analysis report should be prepared. Those less than US\$2</u></p>	<p>When the company acquires or disposes of assets, it shall appoint objective, impartial and detached experts to issue reports according to the types of assets and in accordance with the following provisions:</p> <p>(New Paragraph on this article)</p> <p>(New Paragraph on this article)</p>	<p>(1) Amend the procedures for the acquisition or disposal of real estate, equipment or assets of the right to use in accordance with Article 7 of the Guidelines for the Handling of Assets Acquired or Disposed by Public Companies. (2) The processing procedures for other assets are deleted, and the</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>million (inclusive) shall be approved step by step in accordance with the authorization method; those exceeding NT\$60 million or US\$2 million shall be subject to approval by the board of directors.</u></p> <p><u>(2) To acquire or dispose of the equipment or its right-to-use assets, one should choose one of the methods of price inquiry, price comparison, negotiation or bidding, and the amount of which is less than NT\$60 million or US\$2 million (inclusive). Approval shall be conducted step by step in accordance with the authorization method; if the amount exceeds NT\$60 million or US\$2 million, it must be submitted to the board of directors for approval.</u></p> <p><u>5.4.3. Execution unit</u> <u>When the company acquires or disposes of real estate or equipment, it shall be approved by the approval authority in the preceding paragraph, and the user department and management department shall be responsible for the execution.</u></p> <p><u>5.4.4. Property, equipment or right-of-use asset valuation report</u> <u>The company acquires or disposes of real estate or equipment, equipment or assets of the right to use, except for transactions with domestic government agencies, commissioned construction from local or leased land, or acquisition or disposal of equipment for business use or assets of the right to use, If the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more, a valuation report issued by a professional valuation appraiser shall be obtained before the date of the fact (the valuation report shall be recorded in the format prescribed by the competent authority), and comply with the following requirements:</u> <u>(1) When a limited price, a</u></p>	<p>(New Paragraph on this article)</p> <p>5.4.4. Acquiring or disposing of real estate or equipment, equipment or assets of the right to use, except for transactions with domestic government agencies, commissioned construction from local or leased land, or acquisition or disposal of equipment for business use or assets of the right to use, If the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more, a valuation report issued by a professional valuation appraiser shall be obtained before the date of the fact, and shall comply with the following requirements: (1) When a limited price, a specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the</p>	<p>evaluation procedures and authorization levels are planned to be established in sequence.</p> <p>(3) Consideration 5.2 has been amended and added to require external experts to issue opinions in accordance with the self-discipline norms of their own trade associations, and the procedures for issuing opinions by accountants have been covered, which should be deleted.</p> <p>5.4.4(3) Accountants should follow the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of</p>

Article	Amended Clauses	Original Clauses	Note
	<p>specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the transaction should first be approved by the board of directors; the same applies when the transaction conditions are changed subsequently.</p> <p>(2) The transaction amount is more than NT\$1 billion, and two or more professional appraisers should be invited for appraisal.</p> <p>(3) The appraisal result of the professional appraiser is in one of the following situations, except that the appraisal result of the acquired assets is higher than the transaction amount, or the appraisal result of disposing of the assets is all lower than the transaction amount, the accountant should be expressed specific opinions on the reason for the difference and the fairness of the transaction price:</p> <p><u>A.</u> The difference between the valuation result and the transaction amount is more than 20% <u>of the transaction amount.</u></p> <p><u>B.</u> The difference between the appraisal results of two or more professional appraisals is more than 10% of the transaction amount.</p> <p>(4) The date of the report issued by the professional appraiser and the date of the establishment of the contract shall not exceed three months; however, if the current value of the announcement in the same period is applicable and less than six months have passed, the original professional appraiser may issue a letter of opinion.</p>	<p>transaction should first be approved by the board of directors; the same applies when the transaction conditions are changed subsequently.</p> <p>(2) The transaction amount is more than NT\$1 billion, and two or more professional appraisers should be invited for appraisal.</p> <p>(3) The appraisal result of the professional appraiser is in one of the following situations, except that the appraisal result of the acquired assets is higher than the transaction amount, or the appraisal result of disposing of the assets is all lower than the transaction amount, the accountant should be consulted according to the accounting system of the Republic of China. The Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) issued the Auditing Standards Bulletin No. 20, and expressed specific opinions on the reason for the difference and the fairness of the transaction price:</p> <p>(a) The difference between the valuation result and the transaction amount is more than 20%.</p> <p>(b) The difference between the appraisal results of two or more professional appraisals is more than 10% of the transaction amount.</p> <p>(4) The date of the report issued by the professional appraiser and the date of the establishment of the contract shall not exceed three months; however, if the current value of the announcement in the same period is applicable and less than six months have passed, the original professional appraiser may issue a letter of opinion.</p>	China.

Article	Amended Clauses	Original Clauses	Note
	<p>(This item is deleted, and it is planned to formulate the evaluation procedures and authorization levels according to the nature of the assets in the future)</p> <p>(This item is deleted, and it is planned to formulate the evaluation procedures and authorization levels according to the nature of the assets in the future)</p> <p>(This item is deleted, and it is planned to formulate the evaluation procedures and authorization levels according to the nature of the assets in the future)</p>	<p>5.4.2. To acquire or dispose of securities, the most recent financial statement of the target company that has been audited, certified or reviewed by an accountant shall be taken as a reference for evaluating the transaction price before the date of the fact, and the transaction amount shall reach % of the company's paid-in capital. If the amount is more than NT\$200 million or NT\$300 million, the accountant should be contacted to express their opinion on the reasonableness of the transaction price before the date of the fact. If the accountant needs to use an expert report, he should follow the Auditing Standards Bulletin issued by the Accounting Research and Development Foundation. 20th regulation. However, this does not apply if the securities are publicly quoted in an active market or otherwise stipulated by the FSC.</p> <p>5.4.3. Those who acquire or dispose of intangible assets or their right to use assets or membership card transactions amounting to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, shall Before the occurrence of the fact, the accountant shall be contacted to express their opinion on the reasonableness of the transaction price, and the accountant shall act in accordance with the provisions of the Bulletin of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</p> <p>5.4.4. The calculation of the transaction amount in the aforementioned 5.4.1.~5.4.3. shall be carried out in accordance with the provisions</p>	

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	<p>future)</p> <p>(5) <u>The company acquires or disposes of assets through the court auction procedure, it can replace the valuation report or accountant's opinion with the certification documents issued by the court.</u></p>	<p>of 5.8.1.7., and the term within one year shall be based on the date of the actual occurrence of this transaction and retrospectively calculated. For one year, the part of the valuation report or accountant's opinion issued by the person who has obtained a professional valuation in accordance with this procedure is exempted from being counted.</p> <p>5.4.5. If the assets are acquired or disposed of through the court auction procedure, the certification documents issued by the court can be used to replace the appraisal report or the accountant's opinion.</p>	
5.5.	<p><u>Procedures for acquiring or disposing of securities investments</u></p> <p><u>5.5.1. Evaluation and operating procedures</u> <u>The purchase and sale of securities of the Company shall be handled in accordance with the investment cycle of the Company's internal control system.</u></p> <p><u>5.5.2. Procedure for determining transaction conditions and authorization limit</u> <u>The company's securities trading on the centralized exchange market or the business office of a securities firm shall be evaluated by the responsible unit according to market conditions. For securities trading not on the centralized trading market or the business office of a securities firm, its net value per share, Profitability and future development potential are determined by research and judgment, and the most recent financial statement of the target company that has been audited, certified or reviewed by an accountant should be obtained before the actual occurrence date as a reference for evaluating the transaction price.</u></p> <p><u>5.5.3. Execution unit</u></p>	<p>(New Paragraph on this article)</p> <p>(This item is moved from 5.4.2. to this item according to its nature)</p> <p>5.4.2. To acquire or dispose of securities, the most recent financial statement of the target company that has been audited, certified or reviewed by an accountant shall be taken as a reference for evaluating the transaction price before the date of the fact, and the transaction amount shall reach % of the company's paid-in capital. If the amount is more than NT\$200 million or NT\$300 million, the accountant should be contacted to express their opinion on the reasonableness of the transaction price before the date of the fact. If the accountant needs to use an expert report, he should follow the Auditing Standards</p>	<p>(1) According to Articles 7 and 10 of the Guidelines for the Handling of Assets Acquired or Disposal by Public Issuing Companies, the procedures for acquiring or disposing of securities investments shall be formulated.</p> <p>(2) The reasons for amendment are the same as those described in 5.4(3).</p>

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	<p><u>When the company engages in securities investment, it shall be carried out by the financial and accounting department after submitting it for approval in accordance with the approval authority in the preceding paragraph.</u></p> <p><u>5.5.4. Obtaining expert opinion</u> <u>If the company acquires or disposes of securities with a transaction amount that exceeds 20% of the company's paid-in capital or NT\$300 million or more, it shall contact an accountant to express its opinion on the reasonableness of the transaction price before the date of the fact. However, this does not apply if the securities are publicly quoted in an active market or otherwise stipulated by the FSC.</u></p>	<p>Bulletin issued by the Accounting Research and Development Foundation. 20th regulation. However, this does not apply if the securities are publicly quoted in an active market or otherwise stipulated by the FSC.</p>	
<p>5.6. (Former Article 5.5.)</p>	<p><u>Procedures for acquiring or disposing of derivative products</u></p> <p><u>5.6.1. Trading principles and policies</u></p> <p><u>5.6.1.1. Transaction types:</u></p> <p><u>(1) Derivative financial products engaged by the company refer to forward contracts whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables, option contracts, futures contracts, leveraged margin contracts, exchange contracts, combinations of the above contracts, or combination contracts or structured commodities embedded in derivative commodities.</u></p> <p><u>(2) The term “forward contract” in this article does not include insurance contracts, performance contracts, sales service guarantees, long-term lease contracts and long-term purchase (sale) contracts.</u></p> <p><u>(3) Matters related to bond margin trading shall be handled in accordance with the relevant provisions of this</u></p>	<p>Engage in derivatives trading</p> <p><u>5.5.1. Trading principles and policies</u></p> <p><u>5.5.1.1. Transaction types:</u> <u>Derivative commodities that the company can engage in include forward contracts, options, futures, interest rate (foreign exchange) exchanges and compound contracts that combine the above commodities. If other commodities need to be used, they should be approved by the board of directors before they can be traded.</u></p>	<p>Amend the procedures for the acquisition or disposal of derivative products in accordance with Article 8 and Articles 19 to 22 of the Asset Handling Standards for the Acquisition or Disposal of Assets by Public Issuing Companies.</p>

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	<p><u>handling procedure. The provisions of this procedure may not apply to bond transactions with buyback conditions.</u></p> <p><u>(4) The nature of the transaction is classified as a hedging transaction if the purpose is to hedge operational risks, and a speculative transaction if the additional risk created for the purpose of arbitrage profit.</u></p> <p><u>5.6.1.2. Operating or hedging strategies:</u> <u>The company's trading of derivative financial products should be approved by more than half of all members of the audit committee and submitted to the board of directors for a resolution. Risk-based, the currency held must be in line with the company's actual foreign currency demand for import and export transactions, and the company's overall internal positions (referring to foreign currency income and expenses) are self-levelling as the principle, so as to reduce the company's overall foreign exchange risk and save foreign exchange, operating costs. Transactions for other specific purposes are also subject to careful assessment and submission to the Audit Committee and the Board of Directors for approval before proceeding.</u></p> <p><u>5.6.1.3. Division of powers and responsibilities:</u> <u>(1) Accounting department</u> <u>A. Traders</u> <u>(a) Responsible for the strategy formulation of the entire company's financial commodity trading.</u> <u>(b) Traders should regularly calculate positions, collect market information, conduct trend judgments and risk assessments, be familiar with financial products and related laws, operational skills, etc., and formulate operational strategies that are</u></p>	<p>5.5.1.2. Operating or hedging strategies: The company is engaged in the trading of derivative commodities for the purpose of hedging operations, and shall not engage in trading behaviors.—The choice of trading commodities should be based on avoiding the risks arising from the company's business operations. Banks with which the company has business relationships to avoid credit risk.</p> <p>5.5.1.3. Division of powers and responsibilities: (1) Accounting director Responsible for the management of derivatives trading operations, collecting market information of derivatives, judging trends and risks, familiar with financial products and operational skills, etc., and in accordance with company policies and authorizations, put forward a report on positions and hedging methods, and send it to the responsible supervisor Execute after approval.</p>	

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	<p><u>approved by the approval authority as the basis for engaging in trading.</u></p> <p><u>(c) Execute transactions in accordance with authorized authority and established strategies.</u></p> <p><u>(d) When there is a major change in the financial market and the traders judge that the established strategy is no longer applicable, an assessment report shall be submitted at any time, and the strategy shall be re-drawn.</u></p> <p><u>B. Confirmation of personnel</u></p> <p><u>(a) Execute transaction confirmation.</u></p> <p><u>(b) Review whether the transaction is carried out in accordance with the authorization authority and the established strategy.</u></p> <p><u>C. Delivery personnel</u></p> <p><u>(a) Perform delivery tasks.</u></p> <p><u>(b) Accounting treatment.</u></p> <p><u>(c) Reporting and announcement in accordance with the regulations of the securities regulatory authority.</u></p> <p><u>D. Derivatives approval authority</u></p> <p><u>The company engages in derivative financial product transactions, whether for the purpose of hedging or trading, it must be submitted to the audit committee and the board of directors for approval before proceeding.</u></p> <p><u>(2) Audit department</u></p> <p><u>Responsible for understanding the adequacy of the internal control of derivatives trading and checking the compliance of the trading department with operating procedures, analyzing the trading cycle, making audit reports, and reporting to the Audit Committee or the Board of Directors when there are major deficiencies.</u></p> <p>5.6.1.4. Performance evaluation:</p> <p><u>(1) Hedging transactions</u></p>	<p>(2) Accounting personnel Master the company's overall financial commodity position, and regularly settle realized and unrealized profits and losses to provide financial and accounting executives with commodity trading operations.</p> <p>(3) Personnel engaged in derivatives trading must be authorized by the board of directors and approved by the chairman of the board.</p> <p>5.5.1.4. Performance evaluation:</p>	

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	<p><u>exceed NT\$300 million.</u></p> <p><u>(2) Determination of the upper limit of loss</u></p> <p><u>A. Regarding the loss limit for hedging transactions, the total or individual contract loss limit shall not exceed 20% of the total or individual contract amount.</u></p> <p><u>B. If it is a transaction contract for derivatives and specific purposes for the purpose of trading, after the position is established, a stop loss point should be set to prevent excess losses. The setting of the stop loss point shall not exceed 3% of the transaction contract amount or the total contract loss is 1% of the company's paid-in capital. If the loss exceeds 3% of the transaction amount or the entire contract is lost When it has reached 1% of the company's paid-in capital, it must immediately report to the general manager for a ruling to continue or stop trading, or report to the board of directors to discuss necessary countermeasures.</u></p> <p><u>5.6.1.6. Workflow</u></p> <p><u>(1) According to the exchange rate of the foreign exchange portion held by the company and the length of the period, and depending on the short-term, medium-term and long-term trends of the foreign exchange market, formulate necessary hedging operations.</u></p> <p><u>(2) The trader will report the demand to the supervisor, and after approval, place an order with the designated foreign exchange bank. After the bank executes and confirms the completion of the transaction, and delivers the foreign exchange transaction contract, a transaction subpoena is made.</u></p> <p><u>(3) The foreign exchange transaction contract issued by the bank must be confirmed by the financial controller and</u></p>	<p>5.5.1.6. Total and individual contract loss cap amounts: Since the company is engaged in a risk-averse transaction, the transaction has been carried out according to the company's actual needs. If there is a price difference loss of more than 10% in all contracts, it must be reported to the chairman of the board according to the needs of the operating position and the expected financial market conditions. Whether to stop loss and report to the board of directors.</p> <p>(New Paragraph on this article)</p>	

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	<p><u>handed over to the accountant together with the transaction subpoena as an entry voucher.</u></p> <p><u>(4) Disclose "Details of Derivative Financial Commodities Transactions" on a monthly basis.</u></p> <p><u>5.6.1.7. Accounting treatment</u> <u>The accounting department of the company shall handle it in accordance with the Commercial Accounting Law, the Bulletin of the Financial Accounting Standards and the letters and decrees of the relevant competent authorities; if there are no relevant regulations, it shall be recorded in details, and shall be processed by calculating the realized and unrealized profit and loss statements on a monthly basis.</u></p>	<p>(New Paragraph on this article)</p> <p>5.5.2. Operating procedures 5.5.2.1. Authorization amount and level: (1) The trading quota of derivatives of the Company shall be implemented after the authorization of the board of directors. (2) The approval authority of the company's derivatives trading is as follows:</p> <table border="1" data-bbox="826 1285 1225 1834"> <thead> <tr> <th data-bbox="826 1285 1027 1413">Hierarchy</th> <th data-bbox="1027 1285 1225 1413">Authorization limit for each transaction</th> </tr> </thead> <tbody> <tr> <td data-bbox="826 1413 1027 1576">General Manager of Financial Management Office</td> <td data-bbox="1027 1413 1225 1576">USD 1 million</td> </tr> <tr> <td data-bbox="826 1576 1027 1704">Assistant Financial Management Office</td> <td data-bbox="1027 1576 1225 1704">USD 300,000 to 500,000 (inclusive)</td> </tr> <tr> <td data-bbox="826 1704 1027 1834">Authorized trader</td> <td data-bbox="1027 1704 1225 1834">USD 300,000 (inclusive) or less</td> </tr> </tbody> </table> <p>After the completion of each transaction, the following management levels must complete the internal written approval according to the following amount:</p>	Hierarchy	Authorization limit for each transaction	General Manager of Financial Management Office	USD 1 million	Assistant Financial Management Office	USD 300,000 to 500,000 (inclusive)	Authorized trader	USD 300,000 (inclusive) or less	
Hierarchy	Authorization limit for each transaction										
General Manager of Financial Management Office	USD 1 million										
Assistant Financial Management Office	USD 300,000 to 500,000 (inclusive)										
Authorized trader	USD 300,000 (inclusive) or less										

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		Hierarchy	Authorization limit for each transaction		
		General Manager + Assistant Manager of Financial Management Office	More than US\$300,000		
		Financial Management Office Assistant + Manager	USD 300,000 (inclusive) or less		
		<p>In order to enable the company to authorize the management relative to the financial institutions it deals with, if there is any change in the transaction personnel and transaction confirmation personnel, the financial institutions should be notified immediately, and the financial institutions should continue to implement the existing regulations of the company and the period.</p> <p>5.5.2.2. Execution unit: The financial and accounting supervisor is responsible for the transaction and management of the company's derivative commodity transactions, and the accounting personnel are responsible for the measurement, supervision and control of related risks, and different personnel are responsible for confirmation and delivery.</p> <p>5.5.2.3. Transaction process: (1) The director of finance and accounting places an order with the financial institution according to the approval of the director of authority. (2) According to the transaction report of the financial institution, the accounting supervisor needs to fill in the "Financial Commodity Transaction</p>			

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	<p>5.6.2. Risk management measures:</p> <p><u>5.6.2.1 Credit risk management:</u> <u>As the market is subject to changes in various factors, it is easy to cause operational risks of derivative financial products. Therefore, the market risk management is carried out according to the following principles:</u></p>	<p>Form" and sign it to confirm the validity of the transaction according to the transaction report of the financial institution.</p> <p>(3) The transaction confirmation document of the financial institution shall be attached with the approved "Financial Commodity Transaction Form" when it is printed.</p> <p>(4) When a financial commodity transaction generates profit or loss, the delivery personnel shall use the approved "Financial Commodity Transaction Form" to request or collect money and use it as the basis for accounting.</p> <p>(5) The financial and accounting supervisor compiles the "Monthly Report of Financial Commodities Transactions" every month and sends it to the financial and accounting personnel as the basis for accounting evaluation.</p> <p>5.5.3. Accounting treatment: The company shall set up complete books and accounting records when engaging in derivative commodity transactions, and handle transactions of different natures in accordance with international accounting standards and relevant laws and regulations, and the results shall be able to reasonably express and disclose the process and results of transactions.</p> <p>5.5.4. Risk management measures: (1) Credit risk: The trading partners are limited to the financial institutions that have contacts with the company.</p>	

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	<p>(1) <u>Transaction partners: mainly domestic and foreign well-known and reputable financial institutions that have business dealings with the company.</u></p> <p>(2) <u>Trading commodities: limited to commodities provided by well-known financial institutions at home and abroad.</u></p> <p>(3) <u>Transaction amount: The unreversed transaction amount of the same transaction object shall not exceed 30% of the total authorized amount, except for those approved by the general manager.</u></p> <p>(4) <u>Trading profit and loss: Traders need to check the changes in profit and loss at any time for individual contracts. If there is a loss, immediately report it to the supervisor to discuss the response strategy.</u></p> <p>5.6.2.2. <u>Market risk management:</u></p> <p>(1) <u>Conduct transactions in a legal and open foreign exchange market, and conduct transactions in accordance with laws and regulations, and maintain information on foreign exchange market trends to reduce risks.</u></p> <p>(2) <u>Authorized trading personnel at all levels shall earnestly abide by the authorization limit and the upper limit of loss when engaging in derivative commodity transactions.</u></p> <p>(3) <u>Timely assess the amount of possible losses and the possibility of losses due to changes in market interest rates and exchange rates, and take appropriate measures.</u></p> <p>5.6.2.3. <u>Liquidity risk management:</u> <u>In order to ensure market liquidity, when choosing financial products, products with high liquidity (that is, those that can be traded and realized in the market at any time to maintain flexibility in capital allocation)</u></p>	<p>(2) Market price risk: limited to open foreign exchange transactions between banks. The company shall control the risk of changes in the market price of derivative financial products due to changes in interest rates, exchange rates or other factors at any time.</p> <p>(3) Cash flow risk: The company's derivative product transactions are based on hedging transactions. In order to control transaction risks, the company's limit on the amount of derivative products is described in</p>	

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	<p>are mainly selected. <u>Financial institutions entrusted with transactions must have sufficient information and are readily available. The ability to trade in any market.</u></p> <p><u>5.6.2.4. Cash flow risk management:</u> <u>In order to ensure the stability of the company's working capital turnover, the company's source of funds for derivatives trading is limited to its own funds, and the operating amount should take into account the funding requirements for forecasting cash receipts and payments in the next three months.</u></p> <p><u>5.6.2.5. Operational risk management:</u> (1) <u>The company's authorized quota and operating procedures should be followed and included in internal audit to avoid operational risks.</u> (2) <u>Traders engaged in derivative commodities and confirmation, delivery and other operators shall not concurrently serve as each other.</u> (3) <u>The transaction personnel need to review the inter-bank transaction contract and report it to the supervisor for confirmation. Those who do not confirm will not be logged into the account or recognized.</u> (4) <u>The transaction bank must have sufficient information and provide it at any time as the basis for the risk assessment of the transaction.</u> (5) <u>Risk measurement, supervision and control personnel shall be in different departments from those in the point 2 of this subsection, and shall report to the board of directors or to senior executives who are not responsible for transaction or position decision-making.</u></p>	<p>Items 5.5.1.5. and 5.5.1.6. .</p> <p>(4) Liquidity risk: For any commodity, there must be two or more two-way quotations made by two or more financial institutions in the market at the same time before it can be traded.</p> <p>(5) Operational risks: (a) The authorized limit and operating procedures must be strictly followed. (b) Traders engaged in derivative commodities and confirmation, delivery and other operators shall not concurrently serve as each other. (c) Risk measurement, supervision and control personnel shall be in different departments from those in the preceding paragraph, and shall report to the board of directors or to senior executives who are not responsible for transaction or position decision-making. (d) Confirmation personnel shall regularly check the transaction details and total amount with the bank. (e) Traders should always pay attention to whether the total transaction amount exceeds the total contract amount stipulated in these Measures.</p>	

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	<p><u>5.6.2.6. Commodity risk management: Internal traders should have complete and correct professional knowledge of financial products, and require banks to fully disclose risks to avoid misuse of financial product risks.</u></p> <p><u>5.6.2.7. Legal risk management: Documents signed with financial institutions should be reviewed by professionals from foreign exchange and legal or legal counsel before they can be formally signed to avoid legal risks.</u></p> <p>(This item is moved to 5.6.4.)</p> <p><u>5.6.3. Internal audit system: Internal auditors should regularly understand the reasonableness of the internal control of derivatives transactions, and audit the transaction department's compliance with the procedures for dealing with derivatives transactions on a monthly basis, and prepare audit reports. If major violations are found, they should notify the Audit Committee in writing.</u></p>	<p>(New Paragraph on this article)</p> <p>(6) Legal risk: The documents signed with the bank must be inspected by legal personnel.</p> <p>5.5.5. Periodic evaluation method and abnormal situation handling:</p> <p>(1) The positions held by the derivatives exchange shall be evaluated at least once a week, but if it is a hedging transaction that requires business operations, the evaluation shall be made at least twice a month, and the evaluation report shall be submitted to the senior executives authorized by the board of directors.</p> <p>(2) The monthly, quarterly, semi-annual and annual settlement of exchange gains and losses shall be disclosed in the financial statements according to the market price. Reports and announcements shall be made in accordance with relevant laws and regulations.</p> <p>5.5.6. Internal Audit:</p> <p>(1) The company's internal auditors should regularly understand the reasonableness of the internal control of derivatives transactions, and audit the transaction department's compliance with the procedures for dealing with derivatives transactions on a monthly basis, and prepare audit</p>	

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	<p><u>5.6.4. Periodic evaluation method:</u> <u>The positions held by the derivatives exchange shall be evaluated at least once a week, but if the risk-off transaction is required for business operations, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior executive authorized by the board of directors.</u></p> <p>5.6.5. When engaging in derivatives trading, the supervision and management principles of the board of directors: (1) The board of directors shall designate senior executives to pay attention to the supervision and control of derivatives trading risks at all times. The management principles are as follows: <u>A. Regularly evaluate whether the risk management measures currently in use are appropriate and are actually handled in accordance with the standards for the handling of assets acquired or disposed of by public companies and the procedures for dealing with derivatives traded by the company.</u> <u>B. Regularly evaluate whether the performance of derivatives</u></p>	<p>reports. If major violations are found, they should notify the Audit Committee in writing.</p> <p>(2) After the public offering, the internal auditors shall submit the audit report and the annual audit situation of the internal audit operation to the Financial Regulatory Commission before the end of February of the following year, and report the improvement of abnormal matters to the Financial Regulatory Commission for reference by the end of May of the following year.</p> <p>(This item is moved from 5.5.5.(1) to this item according to its nature)</p> <p>5.5.7. When engaging in derivatives trading, the supervision and management principles of the board of directors: (1) The board of directors shall designate senior executives to pay attention to the supervision and control of derivatives trading risks at all times. The management principles are as follows: (a) Regularly evaluate whether the risk management measures currently in use are appropriate and are actually handled in accordance with the company's procedures for dealing with derivatives transactions.</p> <p>(This item is moved from 5.5.7.(2) to this item according</p>	

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	<p><u>trading is in line with the established business strategy and whether the risks undertaken are within the acceptable range of the company.</u></p> <p><u>C.</u> Supervise the transaction and profit and loss situation, and take necessary countermeasures if any abnormality is found, and report to the board of directors immediately. The board of directors shall have independent directors to attend and express their opinions.</p> <p>(2) When the company engages in derivative commodity transactions, if it authorizes relevant personnel to handle the transaction in accordance with the <u>company's</u> regulations on the <u>handling of derivative commodity transactions</u>, it shall be reported to the latest board of directors after the event.</p> <p><u>5.6.6.</u> When the company engages in derivative commodity transactions, it shall establish a reference book, which shall provide information on the type, amount, date of approval of the board of directors, and in accordance with <u>5.5.6.4</u> and <u>5.6.5(1) A&B</u> Matters that should be carefully evaluated are detailed in the reference book for future reference.</p>	<p>to its nature)</p> <p>(b) Supervise the transaction and profit and loss situation, and take necessary countermeasures if any abnormality is found, and report to the board of directors immediately. If the company has established independent directors, the board of directors shall have independent directors to attend and express their opinions.</p> <p>(2) Regularly evaluate whether the performance of derivatives trading is in line with the established business strategy and whether the risks assumed are within the acceptable range of the company.</p> <p>(3) When the company engages in derivative commodity transactions, if it authorizes relevant personnel to handle the transaction in accordance with the regulations on the handling of derivative commodity transactions, it shall be reported to the latest board of directors after the event.</p> <p>(4) When the company engages in derivative commodity transactions, it shall establish a reference book, which shall provide information on the type, amount, date of approval of the board of directors, and in accordance with <u>5.5.5.(1)</u> and <u>5.5.7(1)(a), 5.5.7.(2)</u> Matters that should be carefully evaluated are detailed in the reference book for future reference.</p>	

Article	Amended Clauses	Original Clauses	Note
<p>5.7. (Former Article 5.6.)</p>	<p>Handling procedures for merger, division, acquisition or share transfer</p> <p>5.7.1. Evaluation and operating procedures</p> <p>(1) When the company handles mergers, divisions, acquisitions or share transfers, it is advisable to appoint lawyers, accountants and underwriters to jointly discuss the estimated timetable for legal procedures, and organize a special team to implement them in accordance with legal procedures. Before convening the resolution of the board of directors, appoint accountants, lawyers or securities underwriters to express their opinions on the reasonableness of the share conversion ratio, purchase price or allotment of cash or other property to shareholders, and submit them to the board of directors for discussion and approval. However, in the merger of subsidiaries that directly or indirectly hold 100% of the issued shares or the total capital, or the merger between subsidiaries that directly or indirectly hold 100% of the issued shares or the total capital, the rationality opinion issued by the expert may not be obtained.</p> <p>(2) The company shall prepare a public document to shareholders before the shareholders' meeting on the important agreed contents of merger, division or acquisition and related matters, together with the expert opinion in 5.7.1.(1) and the notice of the shareholders' meeting. And deliver it to the shareholders for reference as to whether or not to agree to the merger, division or acquisition.</p>	<p>Handling procedures for merger, division, acquisition or share transfer</p> <p>5.6.1. Evaluation and operating procedures</p> <p>(1) When the company handles mergers, divisions, acquisitions or share transfers, it is advisable to appoint lawyers, accountants and underwriters to jointly discuss the estimated timetable for legal procedures, and organize a special team to implement them in accordance with legal procedures. Before convening the resolution of the board of directors, appoint accountants, lawyers or securities underwriters to express their opinions on the reasonableness of the share conversion ratio, purchase price or allotment of cash or other property to shareholders, and submit them to the board of directors for discussion and approval. However, in the merger of subsidiaries that directly or indirectly hold 100% of the issued shares or the total capital, or the merger between subsidiaries that directly or indirectly hold 100% of the issued shares or the total capital, the rationality opinion issued by the expert may not be obtained.</p> <p>(2) The company shall prepare a public document to shareholders before the shareholders' meeting on the important agreed contents of merger, division or acquisition and related matters, together with the expert opinion in 5.6.1.(1) and the notice of the shareholders' meeting. And deliver it to the</p>	<p>Article changes and some text revisions.</p>

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	<p>However, this does not apply if the shareholders meeting is exempted from convening a shareholders' meeting to resolve mergers, divisions or acquisitions in accordance with other laws.</p> <p>.....</p> <p>(This item is deleted and moved to 5.7.2.(7) by nature)</p> <p>5.7.2. Other precautions</p> <p>.....</p> <p>(3) Principles for setting and changing the share conversion ratio or purchase price:</p>	<p>shareholders for reference as to whether or not to agree to the merger, division or acquisition. However, this does not apply if the shareholders meeting is exempted from convening a shareholders' meeting to resolve mergers, divisions or acquisitions in accordance with other laws.</p> <p>.....</p> <p>(4) The following information shall be made into a complete written record and kept for five years for inspection:</p> <p>(a) Basic information of personnel: including all persons involved in the merger, division, acquisition or share transfer plan or implementation of the plan before the news is released, their titles, names, and ID numbers (passport numbers if they are foreigners).</p> <p>(b) Dates of important matters: including the date of signing the letter of intent or memorandum, entrusting financial or legal advisors, signing contracts and the board of directors, etc.</p> <p>(c) Important documents and minutes: including merger, division, acquisition or share transfer plan, letter of intent or memorandum, important contracts and minutes of board meetings.</p> <p>5.6.2. Other precautions</p> <p>.....</p> <p>(3) Principles for setting and changing the share conversion ratio or purchase</p>	

Article	Amended Clauses	Original Clauses	Note
	<p>Participating in merger, division, acquisition or share transfer, the share conversion ratio or purchase price shall not be arbitrarily changed <u>except in the following circumstances, and shall be subject to merger, division, acquisition Or in the case of change as stipulated in the share transfer contract:</u></p> <p><u>A.</u> Handling cash capital increase, issuance of convertible corporate bonds, free allotment of shares, issuance of corporate bonds with warrants, preferred shares with warrants, warrant certificates and other equity securities.</p> <p><u>B.</u> Acts that affect the company's financial business, such as disposing of the company's major assets.</p> <p><u>C.</u> Major disasters, major technological changes, etc. that affect the company's shareholders' equity or securities prices.</p> <p><u>D.</u> Adjustments to the repurchase of treasury shares by any party involved in a merger, division, acquisition or share transfer in accordance with the law.</p> <p><u>E.</u> Increase or decrease in the number of entities or companies involved in merger, division, acquisition or share transfer.</p> <p><u>F.</u> Other conditions that can be changed have been stipulated in the contract and have been disclosed to the public.</p>	<p>price: A company participating in a merger, division, acquisition or share transfer shall appoint an accountant, lawyer or securities underwriter before the board of directors of both parties to discuss the share conversion ratio, purchase price or share transfer. Express opinions on the rationality of allocating cash or other property to shareholders and submit them to the board of directors and shareholders' meeting for approval. In principle, the share exchange ratio or the purchase price cannot be changed arbitrarily, except that the conditions for change have been stipulated in the contract and disclosed to the public. The conditions for changing the share conversion ratio or the purchase price are as follows:</p> <p>(a) Handling cash capital increase, issuance of convertible corporate bonds, free allotment of shares, issuance of corporate bonds with warrants, preferred shares with warrants, warrant certificates and other equity securities.</p> <p>(b) Acts that affect the company's financial business, such as disposing of the company's major assets.</p> <p>(c) Major disasters, major technological changes, etc. that affect the company's shareholders' equity or securities prices.</p> <p>(d) Adjustments to the repurchase of treasury shares by any party involved in a merger, division, acquisition or share transfer in</p>	

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	<p>(4) Contents to be contained in the contract: In addition to the provisions of the Company Law and the Mergers and Acquisitions Law, the contract for merger, division, acquisition or share transfer of a company shall also specify the following matters:</p> <p><u>A.</u> Treatment of Breach.</p> <p><u>B.</u> The principles for the treatment of previously issued securities with equity nature or repurchased treasury shares of a company that has been eliminated or divided due to merger.</p> <p><u>C.</u> The number of treasury shares that a participating company may buy back in accordance with the law after the base date for calculating the share conversion ratio and the principles for its disposal.</p> <p><u>D.</u> How to deal with the increase or decrease in the number of participating entities or companies.</p> <p><u>E.</u> Estimated plan execution progress and expected completion schedule.</p> <p><u>F.</u> If the plan is not completed within the time limit, the relevant handling procedures such as the scheduled date of the shareholders' meeting shall be held according to the law.</p> <p>.....</p> <p>(6) If the company involved in</p>	<p>accordance with the law.</p> <p>(e) Increase or decrease in the number of entities or companies involved in merger, division, acquisition or share transfer.</p> <p>(f) Other conditions that can be changed have been stipulated in the contract and have been disclosed to the public.</p> <p>(4) Contents to be contained in the contract: In addition to the provisions of Article 317-1 of the Company Law and Article 22 of the Mergers and Acquisitions Law, the contract for merger, division, acquisition or share transfer of a company shall also specify the following matters-</p> <p>(a) Treatment of Breach.</p> <p>(b) The principles for the treatment of previously issued securities with equity nature or repurchased treasury shares of a company that has been eliminated or divided due to merger.</p> <p>(e) The number of treasury shares that a participating company may buy back in accordance with the law after the base date for calculating the share conversion ratio and the principles for its disposal.</p> <p>(d) How to deal with the increase or decrease in the number of participating entities or companies.</p> <p>(e) Estimated plan execution progress and expected completion schedule.</p> <p>(f) If the plan is not completed within the time limit, the relevant handling procedures such as the scheduled date of the shareholders' meeting shall be held according to the law.</p> <p>.....</p> <p>(6) If the company involved in</p>	

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	<p>merger, division, acquisition or share transfer has a non-public offering company, the company shall sign an agreement with it, <u>and in accordance with 5.7.2. (1) date of the board of directors, (2) prior confidentiality commitment and (5) changes in the number of companies involved in merger, division, acquisition or share transfer.</u></p> <p>(7) <u>Companies involved in mergers, divisions, acquisitions or share transfer listings or companies whose stocks are traded at the business offices of securities firms shall make complete written records of the following information and keep them for five years for inspection:</u></p> <p>A. <u>Basic information of personnel: including all persons involved in the merger, division, acquisition or share transfer plan or implementation of the plan before the news is released, their titles, names, and ID numbers (passport numbers if they are foreigners).</u></p> <p>B. <u>Dates of important matters: including the date of signing the letter of intent or memorandum, entrusting financial or legal advisors, signing contracts and the board of directors.</u></p> <p>C. <u>Important documents and minutes: including merger, division, acquisition or share transfer plan, letter of intent or memorandum, important contracts and minutes of board meetings.</u></p> <p><u>Companies involved in mergers, divisions, acquisitions, or share transfer listings, or companies whose stocks are traded at the business offices of securities firms, shall, within two days from the date when the resolution of the board of directors is passed, submit the relevant information</u></p>	<p>merger, division, acquisition or share transfer has a non-public offering company, the company shall sign an agreement with it, and comply with 5.6.1.(4); 5.6.2.(1)(2) (5)(7) regulations.</p> <p>(7) When the company participates in a merger, division, acquisition or share transfer, it shall report the relevant information to the Internet information system for future reference in the format prescribed by the relevant laws and regulations within two days from the date when the resolution of the board of directors is passed.</p>	

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	<p><u>to the Financial Supervisory Commission in the prescribed format through the Internet information system for future reference.</u></p>		
<p>5.8. (Former Article 5.7.)</p>	<p>Procedures for <u>dealing with</u> related parties</p> <p>5.8.1. When the company acquires or disposes of assets from related parties, in addition to handling relevant resolution procedures and evaluating the rationality of transaction conditions in accordance with <u>5.4., 5.5., 5.9. and the provisions of this article</u>, if the transaction amount exceeds 10% of the company's total assets, it shall also comply with this procedure. According to the relevant provisions of the procedures, obtain a valuation report or accountant's opinion issued by a professional appraiser. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of <u>5.12.1.8.</u> In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should also be considered.</p> <p>5.8.2. Evaluation and operating procedures: The company acquires or disposes of real estate or its right-of-use assets from a related party, or acquires or disposes of real estate or other assets other than its right-of-use assets from a related party, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. 10% or NT\$300 million or more, in addition to buying and selling domestic public bonds, bonds with repurchase and sell-back conditions, and purchasing or repurchasing money market</p>	<p>Procedures for acquiring or disposing of assets from related parties</p> <p>5.7.1. When the company acquires or disposes of assets from related parties, in addition to handling relevant resolution procedures and evaluating the rationality of transaction conditions in accordance with the provisions of this procedure, if the transaction amount exceeds 10% of the company's total assets, it shall also comply with this procedure. According to the relevant provisions of the procedures, obtain a valuation report or accountant's opinion issued by a professional appraiser. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of 5.4.4. In addition, when judging whether the transaction object is a related person, in addition to paying attention to its legal form, the substantive relationship should also be considered.</p> <p>5.7.2. Evaluation and operating procedures: The company acquires or disposes of real estate or its right-of-use assets from a related party, or acquires or disposes of real estate or other assets other than its right-of-use assets from a related party, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. 10% or NT\$300 million or more, in addition to buying and selling domestic public bonds, bonds with repurchase and sell-back conditions, and purchasing or</p>	<p>(1) Article changes and some text revisions.</p> <p>(2) The third item of the current Article 5.7.2 is moved to the second item of the amended Article 5.8.2.</p> <p>(3) Add the third item: A. In order to strengthen the management of related party transactions and protect the rights of minority shareholders of public companies to express their opinions on the transactions between the company and related parties, the shareholders' meeting should be approved in advance by referring to major international capital markets such as Singapore</p>

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	<p>funds issued by domestic securities investment trust enterprises, the following materials shall be submitted for auditing After the approval of the committee and the board of directors, the transaction contract can be signed and the payment can be made:</p> <p>(1) The purpose, necessity and expected benefits of acquiring or disposing of assets.</p> <p>(2) The reason for selecting the related person as the transaction object.</p> <p>(3) Obtaining immovable property or its right-of-use assets from a related party and evaluating the reasonableness of the predetermined transaction conditions in accordance with 5.8.3.</p> <p>(4) The original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc.</p> <p>(5) Estimated cash receipts and expenditures for each month in the next year starting from the contract month, and assesses the necessity of the transaction and the rationality of the use of funds.</p> <p>(6) The appraisal report issued by the professional appraiser obtained in accordance with the provisions of the preceding paragraph, or the accountant's opinion.</p> <p>(7) Restrictions on the transaction and other important agreements.</p> <p>The company and its subsidiaries or their subsidiaries directly or indirectly holding 100% of the issued shares or total capital are engaged in the following transactions. Authorize the chairman to make a decision within a certain amount, and then submit it to the latest board of directors for ratification:</p> <p><u>A.</u> Acquiring or disposing of equipment for business use or its right-to-use assets.</p>	<p>repurchasing money market funds issued by domestic securities investment trust enterprises, the following materials shall be submitted for auditing After the approval of the committee and the board of directors, the transaction contract can be signed and the payment can be made:</p> <p>(1) The purpose, necessity and expected benefits of acquiring or disposing of assets.</p> <p>(2) The reason for selecting the related person as the transaction object.</p> <p>(3) Obtaining immovable property or its right-of-use assets from a related party and evaluating the reasonableness of the predetermined transaction conditions in accordance with 5.7.3.</p> <p>(4) The original acquisition date and price of the related party, the transaction object and its relationship with the company and related parties, etc.</p> <p>(5) Estimated cash receipts and expenditures for each month in the next year starting from the contract month, and assesses the necessity of the transaction and the rationality of the use of funds.</p> <p>(6) The appraisal report issued by the professional appraiser obtained in accordance with the provisions of the preceding paragraph, or the accountant's opinion.</p> <p>(7) Restrictions on the transaction and other important agreements.</p> <p>The calculation of the above transaction amount shall be carried out in accordance with the provisions of 5.8.1.7. and the term within one year shall be based on the date of the actual occurrence of this</p>	<p>and Hong Kong to regulate major related party transactions. In addition, in order to prevent the public issuing company from conducting significant related person transactions through the subsidiaries of the non-domestic public issuing company, if it is avoided, the relevant information must be submitted to the shareholders' meeting for approval. If a subsidiary of a company has a transaction of acquiring or disposing of assets with a related party in Paragraph 1, and the transaction amount is more than 10% of the total assets of the public offering company, the public offering</p>

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	<p><u>B. Acquiring or disposing of real estate right-to-use assets for business use.</u></p> <p><u>If the company or a subsidiary of a non-domestic public company has the above transactions and the transaction amount exceeds 10% of the total assets of the public company, the company shall submit the information listed in 5.8.2(1)~(7) to the shareholders' meeting. After the agreement is reached, the transaction contract can be signed and the payment can be made. However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</u></p> <p>The calculation of the above transaction amount shall be carried out in accordance with the provisions of 5.12.1.8. and the term within one year shall be based on the date of the actual occurrence of this transaction, retroactively calculated one year ahead, and submitted to the <u>Shareholders' meeting</u>, Audit Committee and the Board of Directors in accordance with the provisions of these Standards. Partially exempt from re-crediting.</p> <p>5.8.3. Reasonability assessment of transaction costs:</p> <p>(1) When the company obtains real estate or its right-of-use assets from related parties, it shall evaluate the rationality of transaction costs according to the following methods:</p> <p><u>A. Necessary capital interest and costs borne by the buyer in accordance with the law shall be added to the transaction price of the related parties. The “interest cost of necessary funds” shall be calculated on the basis of the weighted average interest rate of the borrowings in the year when the company purchased the assets, but it shall not be higher than the</u></p>	<p>transaction, retroactively calculated one year ahead, and submitted to the Audit Committee and the Board of Directors in accordance with the provisions of these Standards. Partially exempt from re-crediting.</p> <p>The company and its subsidiaries or their subsidiaries directly or indirectly holding 100% of the issued shares or total capital are engaged in the following transactions, and the acquisition or disposal of equipment for business use. Authorize the chairman to make a decision within a certain amount, and then submit it to the latest board of directors for ratification:</p> <p>1- Acquiring or disposing of equipment for business use or its right-to-use assets.</p> <p>2- Acquiring or disposing of real estate right-to-use assets for business use.</p> <p>5.7.3. Reasonability assessment of transaction costs:</p> <p>(1) When the company obtains real estate or its right-of-use assets from related parties, it shall evaluate the rationality of transaction costs according to the following methods:</p> <p>(a) Necessary capital interest and costs borne by the buyer in accordance with the law shall be added to the transaction price of the related parties. The “interest cost of necessary funds” shall be calculated on the basis of the weighted average interest rate of the</p>	<p>company shall submit the relevant information to the shareholders' meeting for approval. , if it is a non-public offering subsidiary, the matters that should be approved by the shareholders' meeting shall be handled by the parent company of the public offering at the next level.</p> <p>B. Considering the overall business planning needs of the public offering company and its parent company, subsidiaries, or its subsidiaries, and taking into account the exemption specifications of the major international capital markets in advance, relax the exemption of shareholders</p>

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	<p>maximum borrowing rate of the non-financial industry announced by the Ministry of Finance.</p> <p><u>B.</u> If the related person has set up a mortgage borrower with the subject matter to the financial institution, the financial institution's loan to the subject matter will be assessed to the total value, but the actual cumulative value of the financial institution's loan to the subject matter should reach the loan assessment value. More than 70% of the total value and the loan period has been more than one year. However, this does not apply if the financial institution and one of the parties to the transaction are mutually related persons.</p> <p>(2) For the combined purchase or lease of land and houses of the same subject, the transaction costs may be assessed by one of the methods listed in the preceding paragraph for the land and houses respectively.</p> <p>(3) The company obtains real estate or right-of-use assets from related parties, evaluates the cost of real estate or right-of-use assets in accordance with <u>the provisions of the preceding two paragraphs</u>, and should consult an accountant for review and representation specific comments.</p> <p>(4) When the company obtains real estate or its right-of-use assets from a related party, if one of the following circumstances occurs, it shall be handled in accordance with the provisions of <u>5.8.2. Evaluation and operation procedures</u>. The provisions of <u>5.8.3.(1)~5.8.3.(3)</u> <u>The assessment requirements of cost rationality</u> shall not apply :</p> <p><u>A.</u> The related party acquires the immovable property or</p>	<p>borrowings in the year when the company purchased the assets, but it shall not be higher than the maximum borrowing rate of the non-financial industry announced by the Ministry of Finance.</p> <p>(b) If the related person has set up a mortgage borrower with the subject matter to the financial institution, the financial institution's loan to the subject matter will be assessed to the total value, but the actual cumulative value of the financial institution's loan to the subject matter should reach the loan assessment value. More than 70% of the total value and the loan period has been more than one year. However, this does not apply if the financial institution and one of the parties to the transaction are mutually related persons.</p> <p>(2) For the combined purchase or lease of land and houses of the same subject, the transaction costs may be assessed by one of the methods listed in the preceding paragraph for the land and houses respectively.</p> <p>(3) The company obtains real estate or right-of-use assets from related parties, evaluates the cost of real estate or right-of-use assets in accordance with <u>5.7.3.(1) and 5.7.3.(2)</u>, and should consult an accountant for review and representation specific comments.</p> <p>(4) When the company obtains real estate or its right-of-use assets from a related party, if one of the following circumstances</p>	<p>for transactions between these companies in the proviso will decide.</p> <p>C. If the previously opened significant related party transaction falls under the circumstances specified in paragraphs 1 to 3 of Paragraph 1 of Article 185 of the Company Act, the resolution of the shareholders' meeting shall be made in accordance with Article 185 of the Company Act. The special resolution shall be handled in accordance with the previously opened matters and the relevant provisions of the Company Law.</p> <p>(4) Item 3 of the current Article 5.7.2 has been moved to</p>

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	<p>its right-to-use assets by inheritance or gift.</p> <p><u>B.</u> It has been more than five years since the contract date of the related party to acquire the real estate or the right-to-use asset.</p> <p><u>C.</u> Signing a joint construction contract with a related party, or entrusting a related party to build real estate from a local commissioned construction, leased land commissioned construction, etc. to acquire real estate.</p> <p><u>D.</u> The Company and its subsidiaries, or its subsidiaries which directly or indirectly hold 100% of the issued shares or total capital, acquire real estate use rights assets for business use.</p> <p>(5) If the evaluation results of the company in accordance with 5.8.3.(1) and 5.8.3.(2) are lower than the transaction price, it shall be handled in accordance with 5.8.3.(6). However, this does not apply if objective evidence is presented and specific reasonable opinions from professional real estate appraisers and accountants are obtained due to the following circumstances:</p> <p><u>A.</u> The related party is a person who has acquired prime land or leased land for construction, and can provide evidence that meets one of the following conditions:</p> <p><u>(a)</u> The house is evaluated according to the method stipulated in the preceding article, and the construction cost of the related party is added to the reasonable construction profit, and the total amount exceeds the actual transaction price. The term</p>	<p>occurs, it shall be handled in accordance with the provisions of 5.7.2. The provisions of 5.7.3.(1)~5.7.3.(3) shall not apply :</p> <p>(a) The related party acquires the immovable property or its right-to-use assets by inheritance or gift.</p> <p>(b) It has been more than five years since the contract date of the related party to acquire the real estate or the right-to-use asset.</p> <p>(c) Signing a joint construction contract with a related party, or entrusting a related party to build real estate from a local commissioned construction, leased land commissioned construction, etc. to acquire real estate.</p> <p>(d) The Company and its subsidiaries, or its subsidiaries which directly or indirectly hold 100% of the issued shares or total capital, acquire real estate use rights assets for business use.</p> <p>(5) If the evaluation results of the company in accordance with 5.7.3.(1) and 5.7.3.(2) are lower than the transaction price, it shall be handled in accordance with 5.7.3.(6). However, this does not apply if objective evidence is presented and specific reasonable opinions from professional real estate appraisers and accountants are obtained due to the following circumstances:</p> <p>(a) The related party is a person who has acquired prime land or leased land for construction, and can</p>	<p>Item 4 of the amended Article 5.8.2, and with the addition of Item 3, the calculation of the revised transaction amount is included in the transaction submitted to the shareholders meeting for approval.</p>

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	<p>"reasonable construction profit" shall be based on the average operating gross profit margin of the related party's construction department in the last three years or the most recent construction gross profit rate announced by the Ministry of Finance, whichever is lower.</p> <p>(b) Transactions of other non-related persons within one year on other floors of the same subject property or adjacent areas, with similar areas, and the transaction conditions are equivalent after evaluation of the reasonable floor or regional price difference due to real estate sales practices.</p> <p><u>B.</u> The company proves that the real estate purchased or leased from a related party has the right to use real estate assets, and the transaction conditions are comparable to other non-related party transaction cases in the adjacent area within one year and the area is similar.</p> <p>For the aforementioned transaction cases in adjacent areas, the principle is that the same or adjacent street corners are within 500 meters of the object of the transaction, or the current value of the announcement is similar. In principle, the area shall not be less than 50% of the area of the subject matter of the transaction. The aforesaid one-year period is based on the date of the acquisition of the real estate or the right-to-use asset, and is retrospectively calculated for one year.</p> <p>(6) The company obtains real estate or its right-of-use assets</p>	<p>provide evidence that meets one of the following conditions:</p> <p>(+) The house is evaluated according to the method stipulated in the preceding article, and the construction cost of the related party is added to the reasonable construction profit, and the total amount exceeds the actual transaction price. The term "reasonable construction profit" shall be based on the average operating gross profit margin of the related party's construction department in the last three years or the most recent construction gross profit rate announced by the Ministry of Finance, whichever is lower.</p> <p>(H) Transactions of other non-related persons within one year on other floors of the same subject property or adjacent areas, with similar areas, and the transaction conditions are equivalent after evaluation of the reasonable floor or regional price difference due to real estate sales practices.</p> <p>(b) The company proves that the real estate purchased or leased from a related party has the right to use real estate assets, and the transaction conditions are comparable to other non-related party transaction cases in the adjacent area within one</p>	

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	<p>from a related party, and if the evaluation result according to 5.8.3. (1) to 5.8.3. (5) is lower than the transaction price, it shall handle the following matters:</p> <p><u>A.</u> The Company shall set aside the difference between the transaction price of the real estate or its right-of-use assets and the appraisal cost in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and shall not distribute it or transfer it to allotment shares. If an investor whose investment in the company is evaluated by the equity method is a public offering company, it shall also set aside a special surplus reserve in accordance with the provisions of Paragraph 1 of Article 41 of the Securities and Exchange Act in accordance with the proportion of its shareholding.</p> <p><u>B.</u> The independent directors of the Audit Committee shall act in accordance with the provisions of Article 218 of the Company Act.</p> <p><u>C.</u> The handling of the above <u>A.</u> and <u>B.</u> should be reported to the shareholders' meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>If the company has set aside the special surplus reserve in accordance with the above-mentioned provisions, the assets purchased or leased at a high price should be recognized as a loss in price, or disposed of or terminated, or to be properly compensated or restored to the original state, or there is other evidence to determine that it is not unreasonable, and The special</p>	<p>year and the area is similar.</p> <p>For the aforementioned transaction cases in adjacent areas, the principle is that the same or adjacent street corners are within 500 meters of the object of the transaction, or the current value of the announcement is similar. In principle, the area shall not be less than 50% of the area of the subject matter of the transaction. The aforesaid one-year period is based on the date of the acquisition of the real estate or the right-to-use asset, and is retrospectively calculated for one year.</p> <p>(6) The company obtains real estate or its right-of-use assets from a related party, and if the evaluation result according to 5.7.3. (1) to 5.7.3. (5) is lower than the transaction price, it shall handle the following matters-</p> <p>(a) The Company shall set aside the difference between the transaction price of the real estate or its right-of-use assets and the appraisal cost in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and shall not distribute it or transfer it to allotment shares. If an investor whose investment in the company is evaluated by the equity method is a public offering company, it shall also set aside a special surplus reserve in accordance with the provisions of Paragraph 1 of Article 41 of the Securities and Exchange Act in accordance with the proportion of its shareholding.</p>	

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	<p>surplus reserve may only be used with the approval of the FSC.</p> <p>(7) If the company obtains real estate or its right-of-use assets from a related party, if there is other evidence that the transaction is not in line with business practices, it shall also proceed in accordance with the provisions of 5.8.3(6).</p>	<p>(b) The independent directors of the Audit Committee shall act in accordance with the provisions of Article 218 of the Company Act.</p> <p>(e) The handling of the above (a) and (b) should be reported to the shareholders' meeting, and the details of the transaction should be disclosed in the annual report and prospectus.</p> <p>If the company has set aside the special surplus reserve in accordance with the above-mentioned provisions, the assets purchased or leased at a high price should be recognized as a loss in price, or disposed of or terminated, or to be properly compensated or restored to the original state, or there is other evidence to determine that it is not unreasonable, and The special surplus reserve may only be used with the approval of the FSC.</p> <p>(7) If the company obtains real estate or its right-of-use assets from a related party, if there is other evidence that the transaction is not in line with business practices, it shall also proceed in accordance with the provisions of 5.7.3(6).</p>	
5.9.	<p><u>Procedures for acquiring or disposing of intangible assets or their right-to-use assets or membership cards</u></p> <p><u>5.9.1. Evaluation and operating procedures</u></p> <p><u>The acquisition or disposal of intangible assets or their right-of-use assets or membership certificates by the company shall be handled in accordance with the real estate, plant and equipment cycle procedures of the company's internal control system.</u></p>	(New Paragraph on this article)	Amend the procedures for acquiring or disposing of intangible assets or their right-to-use assets or membership certificates in accordance with Article

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	<p><u>5.9.2. Procedure for determining transaction conditions and authorization amount</u> <u>(1) To obtain or dispose of a membership card, the fair market value of the market shall be referred to, the transaction conditions and transaction price shall be determined, and an analysis report shall be prepared. NT\$10,000,000 must be approved by the board of directors.</u> <u>(2) To acquire or dispose of intangible assets or their right-of-use assets, an analysis report should be prepared with reference to the expert evaluation report or the fair market value of the market, to determine the transaction conditions and transaction price, and the amount should be in the range of NT\$60 million or US\$2 million. (Inclusive) and below shall be approved step by step according to the authorization method; those exceeding NT\$60 million or US\$2 million shall be approved by the board of directors.</u> <u>5.9.3. Execution unit</u> <u>When the company acquires or disposes of intangible assets or their right-to-use assets or membership cards, the user department and management department shall be responsible for execution after the approval according to the approval authority in the preceding paragraph.</u> <u>5.9.4. Obtaining expert opinion</u> <u>If the company acquires or disposes of intangible assets or right-of-use assets or membership cards with a transaction amount that exceeds 20% of the company's paid-in capital or NT\$300 million or more, in addition to transactions with domestic government agencies, it shall Before the occurrence date, contact the accountant to express</u></p>	<p>(This item is moved from 5.4.3. to this item according to its nature)</p>	<p>11 of the Guidelines for the Handling of Assets Acquired or Disposed by Public Companies.</p>

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	<u>opinions on the reasonableness of the transaction price.</u>		
5.10.	<u>Procedures for acquiring or disposing of creditor's rights of financial institutions</u> <u>In principle, the company does not engage in transactions to acquire or dispose of the debts of financial institutions. If it intends to engage in transactions to acquire or dispose of the debts of financial institutions in the future, it will report to the board of directors for approval and then determine its evaluation and operating procedures.</u>	(New Paragraph on this article)	The procedures for acquiring or disposing of financial institutions' claims have been newly added.
5.11.	<u>The calculation of the transaction amount in 5.4., 5.5. and 5.9. of this processing procedure shall be carried out in accordance with the provisions of 5.12.1.8., and the term within one year is based on the date of the actual occurrence of this transaction, and is retrospectively calculated for one year. The part of the valuation report or accountant's opinion issued by a professional valuation person who has obtained a professional valuation in accordance with the provisions of this procedure shall not be counted.</u>	(This item is moved from 5.4.4. to this item according to its nature)	The definition of "within one year" in the explanatory provisions in accordance with the provisions of Article 12 of the Standards for the Handling of Assets Acquired or Disposed by Public Companies.
5.12. (Former Article 5.8.)	<u>Information Disclosure Procedures</u> <u>5.12.1. Items and standards to be announced and declared:</u> <u>5.12.1.1. Acquiring or disposing of real estate or its right-of-use assets from a related party, or acquiring or disposing of other assets other than real estate or its right-of-use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, the total 10% of the assets or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic public bonds, bonds subject to repurchase or sell-back conditions, and the subscription or buy-back of money market</u>	Announcements and declarations 5.8.1. The company and its subsidiaries shall handle the announcement and declaration under the following circumstances: 5.8.1.1. Acquiring or disposing of real estate or its right-of-use assets from a related party, or acquiring or disposing of other assets other than real estate or its right-of-use assets with a related party and the transaction amount reaches 20% of the company's paid-in capital, the total 10% of the assets or more than NT\$300 million. However, this does not apply to the purchase and	(1) Article changes and some text revisions. (2) In view of the fact that the construction company sells the real estate that has been constructed and completed by itself, it is a necessary behavior for the company

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	<p>funds issued by domestic securities investment trust enterprises.</p> <p>5.12.1.2. To carry out a merger, division, acquisition or transfer of shares.</p> <p>5.12.1.3. The loss from derivative commodity trading reaches the upper limit of total or individual contract losses stipulated in the prescribed processing procedures.</p> <p>5.12.1.4. The assets acquired or disposed of are equipment for business use or assets with the right to use, and the transaction object is not a related party, and the transaction amount must meet one of the following requirements:</p> <p>(1) A public offering company with a paid-in capital of less than NT\$10 billion and a transaction amount of NT\$500 million or more.</p> <p>(2) A public offering company with a paid-in capital of more than NT\$10 billion and a transaction amount of NT\$1 billion or more.</p> <p><u>5.12.1.5. A company engaged in construction business acquires or disposes of real estate or its right-of-use assets for construction use and its transaction object is not a related person, and the transaction amount exceeds NT\$500 million; of which the paid-in capital is NT\$500 million. If the transaction amount exceeds NT\$10 billion, the real estate that has been constructed and completed by itself, and the transaction object is not a related person, the transaction amount is NT\$1 billion or more.</u></p> <p>5.12.1.6. The real estate is acquired in the form of self-contracted construction, leased construction, joint-construction</p>	<p>sale of domestic public bonds, bonds subject to repurchase or sell-back conditions, and the subscription or buy-back of money market funds issued by domestic securities investment trust enterprises.</p> <p>5.8.1.2. To carry out a merger, division, acquisition or transfer of shares.</p> <p>5.8.1.3. The loss from derivative commodity trading reaches the upper limit of total or individual contract losses stipulated in the prescribed processing procedures.</p> <p>5.8.1.4. The type of assets acquired or disposed of are equipment for business use or assets with the right to use, and the transaction object is not a related party, and the transaction amount must meet one of the following requirements:</p> <p>(1) A public offering company with a paid-in capital of less than NT\$10 billion and a transaction amount of NT\$500 million or more.</p> <p>(2) A public offering company with a paid-in capital of more than NT\$10 billion and a transaction amount of NT\$1 billion or more.</p> <p>(This item is newly added, other items are adjusted in sequence)</p> <p>5.8.1.5. The real estate is acquired in the form of self-contracted construction, leased construction, joint-</p>	<p>to carry out the daily business sales. The construction projects built by the larger-scale construction companies are likely to meet the announcement and declaration standards due to the high amount of money, which is easy to cause In the case of frequent announcements, based on the materiality of information disclosure, the company should consider the regulations on equipment acquired or disposed of by the company for business use, and the latter paragraph will be added to the fifth paragraph of Paragraph 1 to relax its pre-disposition transaction, and the transaction</p>

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	<p>sub-house, joint-construction-sharing, joint-construction sub-sale, and the transaction object is not a related person, and the company expects to invest in the transaction amount more than 500 million yuan.</p> <p>5.12.1.7. For asset transactions other than the preceding <u>6</u> items, financial institutions disposing of creditor's rights or engaging in investment in the mainland area, the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not limited to this:</p> <p>(1) Buying and selling domestic government bonds <u>or foreign public bonds with a credit rating not lower than my country's sovereign rating.</u></p> <p>(2) Those who specialize in investment, trading in securities on stock exchanges at home or at the business offices of securities firms, or subscribe and issue ordinary corporate bonds and ordinary financial bonds without equity (excluding subprime) in the primary market subscribe for <u>foreign government bonds</u> or sequence bonds, or subscribe for or buy back securities investment trust funds or futures trust funds, <u>or to purchase or sell back index investment securities,</u> or securities firms who act as counselors for emerging companies and recommend securities firms to subscribe for securities in accordance with the regulations of the Republic of China Securities OTC Trading Center for underwriting business needs.</p> <p>(3) Trading bonds with buyback and sellback conditions, and subscription or buyback of money market funds issued by domestic securities investment trust enterprises.</p>	<p>construction sub-house, joint-construction-sharing, joint-construction sub-sale, and the transaction object is not a related person, and the company expects to invest in the transaction amount more than 500 million yuan.</p> <p>5.8.1.6. For asset transactions other than the preceding <u>5</u> items, financial institutions disposing of creditor's rights or engaging in investment in the mainland area, the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not limited to this:</p> <p>(1) Buying and selling domestic government bonds.</p> <p>(2) Those who specialize in investment, trading in securities on stock exchanges at home and abroad or at the business offices of securities firms, or subscribe and issue ordinary corporate bonds and ordinary financial bonds without equity (excluding subprime) in the domestic primary market sequence bonds, or subscribe for or buy back securities investment trust funds or futures trust funds, or securities firms who act as counselors for emerging companies and recommend securities firms to subscribe for securities in accordance with the regulations of the Republic of China Securities OTC Trading Center for underwriting business needs.</p> <p>(3) Trading bonds with buyback and sellback conditions, and subscription or buyback of money market funds issued by domestic securities investment trust enterprises.</p>	<p>object is not a relationship Announcement and reporting standards for persons.</p> <p>(3) Considering that the current public issuance companies have been exempted from public announcements and declarations for the purchase and sale of domestic public bonds, the first item of Subparagraph 7 of Paragraph 1 shall be amended to relax the issuance rating of their trading of bonds not lower than my country's sovereign rating of foreign public bonds. Announcement declaration is exempted.</p> <p>(4) Considering that foreign public bonds are simple commodities</p>

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	<p>5.12.1.8. The calculation method of the transaction amount in the aforementioned is as follows, and the term within one year is based on the date of the actual occurrence of the transaction, and is retrospectively calculated for one year, which has been announced in accordance with the regulations Part of it is exempted from re-counting.</p> <p>(1) The amount of each transaction.</p> <p>(2) Accumulated amount of transactions with the same counterparty to acquire or dispose of the same subject matter within one year.</p> <p>(3) The accumulated amount of acquisition or disposal (acquisition and disposal are accumulated separately) within one year of the real estate of the same development plan or its right-of-use assets.</p> <p>(4) The accumulated amount of the same securities acquired or disposed of (acquisition and disposal are accumulated separately) within one year.</p> <p>5.12.2. Time limit and procedures for handling announcements and declarations: If the company acquire or dispose of assets, if there are items that should be announced and the transaction amount meets the standards for reporting and reporting, the company should report the relevant information to the Financial Supervision and Administration Commission within two days from the date of the occurrence of the fact.</p> <p>5.12.3. <u>Announcement declaration procedure</u></p> <p>5.12.3.1. The company should report the relevant information to the Financial Supervision and Administration Commission within two days from the date of the occurrence of the fact.</p> <p>5.12.3.2. The company shall, on a monthly basis, enter the information reporting website</p>	<p>5.8.1.7. The calculation method of the transaction amount in the aforementioned 5.8.1.1. ~ 5.8.1.6. is as follows, and the term within one year is based on the date of the actual occurrence of the transaction, and is retrospectively calculated for one year, which has been announced in accordance with the regulations Part of it is exempted from re-counting.</p> <p>(1) The amount of each transaction.</p> <p>(2) Accumulated amount of transactions with the same counterparty to acquire or dispose of the same subject matter within one year.</p> <p>(3) The accumulated amount of acquisition or disposal (acquisition and disposal are accumulated separately) within one year of the real estate of the same development plan or its right-of-use assets.</p> <p>(4) The accumulated amount of the same securities acquired or disposed of (acquisition and disposal are accumulated separately) within one year.</p> <p>5.8.2. Time limit and procedures for handling announcements and declarations: 5.8.2.1. If the company and its subsidiaries acquire or dispose of assets, if there are items that should be announced and the transaction amount meets the standards for reporting and reporting, the company should report the relevant information to the Financial Supervision and Administration Commission within two days from the date of the occurrence of the fact.</p> <p>5.8.2.2. The company shall, on a monthly basis, enter the information reporting website designated by the Financial Supervision and</p>	<p>s, and their creditworthiness is usually better than that of foreign ordinary corporate bonds; and that index investment securities are similar to index stock funds in commodity nature, the second item, subparagraph h 7, subparagraph h 1, is amended to relax the Investment professionals who subscribe to foreign government bonds in the primary market and purchase or sell back index investment securities are also exempted from public announcement and declaration.</p>

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	<p>designated by the Financial Supervision and Administration Commission before the tenth day of each month in accordance with the prescribed format of the company and its subsidiaries engaged in derivative commodity transactions as of the end of the previous month.</p> <p>5.12.3.3. If there are errors or omissions in the announcement of the items that should be announced and should be corrected, the company shall re-announce and declare all the items within two days from the date of knowing.</p> <p>5.12.3.4. When the company acquires or disposes of assets, the relevant contracts, minutes, reference books, valuation reports, and opinions of accountants, lawyers or securities underwriters shall be kept in the company. Unless otherwise stipulated by other laws, at least Save for five years.</p> <p>5.12.3.5. After the company announces the reported transaction in accordance with the regulations, if there is one of the following circumstances, it shall announce the relevant information on the website designated by the Financial Supervision and Administration Commission within two days from the date of the occurrence of the fact:</p> <ol style="list-style-type: none"> (1) The contract signed in the original transaction is subject to change, termination or cancellation. (2) The merger, division, acquisition or transfer of shares is not completed according to the schedule scheduled in the contract. (3) The content of the original announcement has been changed. 	<p>Administration Commission before the tenth day of each month in accordance with the prescribed format of the company and its subsidiaries engaged in derivative commodity transactions as of the end of the previous month.</p> <p>5.8.2.3. If there are errors or omissions in the announcement of the items that should be announced and should be corrected, the company shall re-announce and declare all the items within two days from the date of knowing.</p> <p>5.8.2.4. When the company acquires or disposes of assets, the relevant contracts, minutes, reference books, valuation reports, and opinions of accountants, lawyers or securities underwriters shall be kept in the company. Unless otherwise stipulated by other laws, at least Save for five years.</p> <p>5.8.2.5. After the company announces the reported transaction in accordance with the regulations, if there is one of the following circumstances, it shall announce the relevant information on the website designated by the Financial Supervision and Administration Commission within two days from the date of the occurrence of the fact:</p> <ol style="list-style-type: none"> (1) The contract signed in the original transaction is subject to change, termination or cancellation. (2) The merger, division, acquisition or transfer of shares is not completed according to the schedule scheduled in the contract. (3) The content of the original announcement has been changed. 	

Article	Amended Clauses	Original Clauses	Note
<p>5.13. (Former Article 5.9.)</p>	<p><u>Subsidiaries of the company shall comply with the following provisions:</u></p> <p>5.13.1. The subsidiary should also formulate the “Acquisition or Disposal Assets Handling Procedure” in accordance with the relevant regulations of the “Public Issuing Company Acquired or Disposal Assets Handling Procedures”, which shall be reported to <u>its</u> parties after being approved by the board of directors of the subsidiary. Approved by the shareholders meeting, the same applies to amendments.</p> <p>5.13.2. <u>When a subsidiary acquires or disposes of assets, it shall also follow the regulations of the company.</u></p> <p>5.12.3. <u>If a subsidiary acquires or disposes of assets that meet the information disclosure requirements in Chapter 3 of the "Guidelines for the Handling of Assets Acquired or Disposed by Public Companies", the company shall handle the announcement and declaration on behalf of the subsidiary.</u></p> <p>5.12.4. <u>In the announcement and reporting standards of subsidiaries, the term "the company's paid-in capital or total assets" refers to the company's paid-in capital or total assets.</u></p> <p>(Delete this item)</p>	<p>Procedures for controlling the acquisition or disposal of assets by subsidiaries</p> <p>5.9.1. If the subsidiary is a domestic public offering company, it should also formulate the “Acquisition or Disposal Assets Handling Procedure” in accordance with the relevant regulations of the “Public Issuing Company Acquired or Disposal Assets Handling Procedures”, which shall be reported to both parties after being approved by the board of directors of the subsidiary. Approved by the shareholders meeting, the same applies to amendments. (This item is newly added, other items are adjusted in sequence)</p> <p>5.9.2. If the subsidiary is not a domestic public issuer, if the acquisition or disposal of assets is subject to announcement and notification as stipulated in the "Guidelines for the Handling of Assets Acquired or Disposed by Public Issuers", the company shall handle the announcement and notification.</p> <p>5.9.3. Subsidiaries are subject to the requirement of 20% of the paid-in capital or 10% of the total assets, which shall be subject to the company's paid-in capital or total assets.</p> <p>5.9.4. The company shall urge its subsidiaries to formulate procedures for the acquisition or disposal of assets, and submit them to its audit committee or supervisor, as well as the board of directors and shareholders' meetings for resolution in accordance with relevant regulations. Subsidiaries of the company that acquire or dispose of assets shall provide relevant information to the company for review on a regular basis.</p>	<p>Article changes and some text revisions.</p>

Article	Amended Clauses	Original Clauses	Note
5.14.	5.14. Penalty rules: If the employees of the company undertake to acquire and dispose of assets in violation of the provisions of this processing procedure, they will be regularly submitted for assessment in accordance with the company's work rules, and punished according to the severity of the circumstances.	5.10. Penalty rules: If the employees of the company undertake to acquire and dispose of assets in violation of the provisions of this processing procedure, they will be regularly submitted for assessment in accordance with the company's work rules, and punished according to the severity of the circumstances.	Article changes.
5.15.	<p>5.15. Implementation and revision</p> <p>5.15.1. After the company's acquisition or disposal of assets processing procedures shall be submitted to the approval of the audit committee and approved by the board of directors, it shall be submitted to the shareholders' meeting for approval, and the same shall be true for amendments. <u>If a director expresses dissent and there is a record or written statement, the company shall submit the director's dissent information to the audit committee.</u></p> <p><u>When the company submits the procedures for handling assets acquired or disposed of to the board of directors for discussion in accordance with the provisions of the preceding paragraph, it shall fully consider the opinions of each independent director. Any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.</u></p> <p><u>The company's formulation or revision of the procedures for the acquisition or disposal of assets shall be approved by more than half of all members of the audit committee, and a resolution shall be submitted to the board of directors.</u></p> <p><u>If the preceding paragraph has not been approved by more than one-half of all the members of the Audit Committee, it may be implemented with the consent of more than two-thirds of all the directors, and the resolutions of the Audit Committee shall be</u></p>	<p>5.11. Implementation and revision</p> <p>5.11.1. After the company's acquisition or disposal of assets processing procedures shall be submitted to the approval of more than half of all members of the audit committee and approved by the board of directors, it shall be submitted to the shareholders' meeting for approval, and the same shall be true for amendments.</p> <p>5.11.2. If there are any unresolved matters in this processing procedure, it shall be handled in accordance with the relevant laws and regulations.</p>	<p>(1) Article changes.</p> <p>(2) The authorization level revised in accordance with the provisions of Article 6 of the Regulations on the Handling of Assets Acquired or Disposed by Public Companies.</p>

Article	Amended Clauses	Original Clauses	Note
	<p><u>recorded in the minutes of the board of directors.</u> <u>All members of the Audit Committee referred to in Paragraph 3 and all directors referred to in the preceding Paragraph shall be counted on the basis of the actual incumbents.</u> 5.15.2. If there are any unresolved matters in this processing procedure, it shall be handled in accordance with the relevant laws and regulations.</p>		
6.	<p>Relevant attachments: 6.1. <u>Schedule of Financial Assets</u> 6.2. <u>Details of Derivative Financial Commodities Transactions</u></p>	<p>Relevant attachments: 6.1. Financial commodity- transaction order 6.2. Monthly Statement of Financial Commodities Transactions</p>	Amend the attachment name according to the current practice.
8.	<p>Revision history: (Omitted) <u>Implemented after the revision of version 3.0 was resolved by the board of directors on March 24, 2022 and approved by the Shareholders' Meeting on June 23, 2022.</u></p>	<p>Revision history: (Omitted)</p>	Add the last revision date

Chapter IV. Appendices

Appendix 1

Nan Pao Resins Chemical Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- 1 The Company is incorporated in accordance with the regulations on companies limited by shares under the Company Act and named Nan Pao Resins Chemical Co., Ltd.
- 2 The scope of business of the Company are as follows:
 1. C801060 Synthetic Rubber Manufacturing
 2. C801100 Synthetic Resin and Plastic Material Manufacturing
 3. C802120 Industrial Catalyst Manufacturing
 4. C802200 Varnish, Lacquer, Dye, and Pigment Manufacturing
 5. ZZ99999 Business items not prohibited or restricted by law except those requiring special approval
- 3 The Company's head office is in Tainan City, and may, pursuant to a resolution adopted by the Board of Directors, set up branches, offices, or factories within domestic or overseas when deemed necessary.
- 4 The total amount of the Company's reinvested capital may exceed 40% of the paid-in capital and shall make an external guarantee for the entities of the same business.

Chapter 2 Capital

- 5 The total capital stock of the Company is 2 billion New Taiwan Dollars, divided into 200 million shares at 10 New Taiwan Dollars each, un issued shares may be issued by the resolution of the Board of Directors according to actual need. A total of 80 million New Taiwan Dollars among the total capital referred to the preceding paragraph shall be reserved for the issuance of convertible shares of employee stock options.
- 6 All the shares issued by the Company will be name-bearing and signed or sealed by the representative director of the Company. The Company may issue shares without printing share certificates, but shall be in custody or registration under centralized securities depository enterprises.
- 7 All changes made to the list of shareholders shall be halted sixty days prior to an upcoming annual shareholders' meeting, thirty days prior to a provisional shareholders' meeting, or five days prior to the base date on which the Company issues dividends, bonuses, or other interests.
- 7-1 The Company transfers its treasury shares to employees, reserves the issuance of common shares in cash for employees to subscribe, issues employee stock option certificates, and issues restricted shares for employee, which could be entitled to the qualified employees of controlled entities or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to decide the conditions and the subscription.

Chapter 3 Shareholders' Meeting

- 8 Shareholders' meetings of the Company are of two types, namely regular meetings and provisional meetings. Regular meetings shall be convened at least once a year, within six months after the end of each fiscal year. Provisional meetings shall be convened in accordance with relevant laws, rules, and regulations when necessary.
- 9 When the Company holds a shareholders' meeting, it may exercise its voting right in writing or electronically. It shall be executed in accordance with relevant laws and regulations. If a shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act. In addition to the compliance with the Company Act, the Company shall make arrangements in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.

- 10 Shareholders' meetings shall be convened by the Board of Directors and the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave, the Chairman shall appoint one of the directors to act as the Chair. When the Chairman does not make such designation, the directors shall select from among themselves one person to serve as the Chair. If a shareholders' meeting is held by a convener other than the Board of Directors, the convener shall be the Chair. If there are two or more conveners, only one of them shall be appointed to be the Chair.
- 11 The shareholder of the Company is entitled to one vote for each share held unless otherwise stipulated by law.
- 12 Unless otherwise stipulated by law, a resolution made at a shareholders' meeting shall be adopted by a majority vote at a meeting attended by shareholders representing half of the total number of shares issued.
- 13 The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.
- 14 After the public offering of the Company's stock, if the Company wants to cancel the public offering, it must be approved by the Board of Directors and approved at a shareholders' meeting.

Chapter 4 Board of Directors' Meeting

- 15 The Company's shareholder services affairs are in compliance with Regulations Governing the Administration of Shareholder Services of Public Companies and relevant regulations.
- 16 The Board of Directors' meeting shall be convened at least once every quarter.
A notice specifying the reason for convening a Board meeting shall be sent to all directors seven days before the scheduled meeting day, however a Board meeting may be convened on short notice when in emergency circumstances.
The notice of the Board of Directors' meeting shall be in writing, by email, or by fax.
- 17 When the directors of the Company perform the duties on behalf of the Company, whether the Company makes a profit or loss, the Company shall compensate the directors and authorize the Board of Directors to set a compensation standard based on the value of their participation in and contribution to the operation of the Company within the highest standard set in the Company's Procedure for Compensation Management (industry standard).
- 18 The Company has established five to nine seats of directors. All directors shall be elected from a nomination system by shareholders among a list of nominees for directors. The directors shall have a term of office of three years and may be re-elected. The Company may purchase liability insurance for directors, within the scope of business during their term of office. Among the above-mentioned directors, the number of independent directors shall not be less than three, shall not be less than one-fifth of the seats of the directors, and shall be elected by shareholders among a list of nominees for independent directors. The professional qualifications, shareholding, the prohibition on positions held at other companies, nomination and selection process, and other matters of the Company's Independent Directors, are processed in compliance with relevant regulations of competent securities authorities.
- 19 The directors shall elect from among themselves a chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the directors. The chairman of the Board of Directors shall carry out all affairs of the Company in accordance with law and regulations and the resolutions of the shareholders' meetings and the Board of Directors' meetings. When the chairman of the Board is on leave or for any reason is unable to exercise the powers of the chairman, one of the directors shall be appointed to act as the chair by the chairperson. When the chairman does not make such appointment, directors shall elect one person from among themselves to serve as the chair.
- 20 The Company's business policy and other material issues shall be determined by the Board of Directors. Except for the first Board meeting of every term of the newly elected Board of Directors, which shall be convened pursuant to Article 203 of the Company Law, meetings of the Board of Directors shall be convened by the chairman of the Board of Directors. In the absence of the chairman, one of the attending directors shall be elected as the proxy.

21 When a meeting of the Board of Directors is held, the directors shall attend the meeting in person. If a director is unable to attend in person, the director may appoint another director as proxy to attend the meeting, and shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda. The proxy can only accept a proxy from one person. Attending via video conferencing is deemed as attending in person. The resolutions of a Board of Directors' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. A copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall record the gist of proceedings and its results. The minutes, attendance book, and the power of attorney for deputy attendance shall be kept at the Company.

22 The Company's Board of Directors may establish different types of functional committees. The Board of Directors is authorized to decide the qualification of members, powers of office and related matters in accordance with relevant regulations.

The Audit Committee is established by the Company to replace the duties of Supervisors and shall be composed of the entire independent directors.

Chapter 5 Managerial Officers

23 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

24 After the close of each fiscal year, the following reports shall be compiled by the Board of Directors and submitted to the shareholders for acceptance:

1. Business Report;
2. Financial Statement;
3. Proposal Concerning Appropriation of Earnings or Covering of Losses.

25 The Company shall set aside 2% to 6% of its annual profits as remuneration to its employees and no more than 3% of its annual profits as remuneration to its directors. However, the Company shall have reserved a sufficient amount to offset its accumulated losses before the distribution of remuneration to employees and directors as per the percentage mentioned above.

Employees' remuneration may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions. The Board of Directors is authorized to decide the conditions and the subscription.

Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

26 If there are earnings after the close of the fiscal year, the Company shall distribute the earnings in the following order:

1. Paying the tax.
2. Offsetting losses in previous years.
3. Setting aside a legal capital reserve at 10% of the earnings left over.
4. Other special surplus reserve recognized or reversed in accordance with law and regulations or supervisory authorities
5. After the Company has set aside the capital reserves pursuant to the preceding paragraphs, a distribution motion regarding the earnings left over shall be prepared by the Board of Directors, and submitted to the shareholders for a resolution.

The Company is at the steady growth stage of its business, and for future business expansion plans, the dividend distribution shall not be less than 10% of the remaining profits of the current year. The distribution of earnings shall be made by cash dividend and stock dividend, with cash dividends ranging from 20% to 100% and stock dividends ranging from 0% to 80%.

However, in order to maintain the Company's earnings per share, the impact of stock dividends on the Company's business performance shall be taken into account. If the annual earnings per share of the dividend payment is more than 20% lower than the previous year, a proposal regarding the earning distribution, in which the dividend payout amount and ratio are appropriately adjusted, shall be prepared by the Board of Directors and submitted to the shareholders for a resolution.

Chapter 7 Supplementary Provisions

- 27 The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.
- 28 In regard to all matters not provided in the Articles of Association, the Company Law and other regulations shall govern.
- 29 The Articles of Association was enacted on August 30, 1963; the first amendment was made on October 5, 1966; the second amendment was made on September 21, 1968; the third amendment was made on June 14, 1971; the fourth amendment was made on March 15, 1972; the fifth amendment was made on March 25, 1973; the sixth amendment was made on September 27, 1974; the seventh amendment was made on January 11, 1975; the eighth amendment was made on December 16, 1975; the ninth amendment was made on October 20, 1976; the tenth amendment was made on December 15, 1976; the eleventh amendment was made on November 8, 1978; the twelfth amendment was made on September 18, 1979; the thirteenth amendment was made on August 30, 1980; the fourteenth amendment was made on August 20, 1981; the fifteenth amendment was made on September 23, 1981; the sixteenth amendment was made on June 23, 1983; the seventeenth amendment was made on August 20, 1984; the nineteenth amendment was made on June 27, 1985; the twentieth amendment was made on November 1, 1985; the twenty-first amendment was made on May 31, 1986; the twenty-second amendment was made on April 8, 1987; the twenty-third amendment was made on October 9, 1987; the twenty-fourth amendment was made on May 3, 1988; the twenty-fifth amendment was made on June 10, 1989; the twenty-sixth amendment was made on October 12, 1989; the twenty-seventh amendment was made on April 27, 1990; the twenty-eighth amendment was made on May 16, 1991; the twenty-ninth amendment was made on May 4, 1992; the thirtieth amendment was made on June 1, 1993; the thirty-first amendment was made on June 29, 1994; the thirty-second amendment was made on May 30, 1995; the thirty-third amendment was made on June 20, 2000; the thirty-fourth amendment was made on December 11, 2000; the thirty-fifth amendment was made on June 25, 2002; the thirty-sixth amendment was made on June 27, 2003; the thirty-seventh amendment was made on May 21, 2004; the thirty-eighth amendment was made on May 25, 2004; the thirty-ninth amendment was made on June 28, 2005; the fortieth amendment was made on June 27, 2006; the forty-first amendment was made on July 21, 2006; the forty-second amendment was made on October 23, 2008; the forty-third amendment was made on June 27, 2011; the forty-fourth amendment was made on June 27, 2014; the forty-fifth amendment was made on June 27, 2016; the forty-sixth amendment was made on May 16, 2017; the forty-seventh amendment was made on December 12, 2017; the forty-eighth amendment was made on June 14, 2019.

Appendix 2

Nan Pao Resins Chemical Co., Ltd. Rule of Procedures for Shareholders' Meeting

1. Purpose: To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. Scope: The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
3. Definition: None.
4. Authority and responsibility: None.
5. Content:
 - 5.1. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
 - 5.1.1. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
 - 5.1.2. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
 - 5.1.3. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out for convening the shareholders meeting and the essential contents explained in the notice of the reasons. None of the above matters may be raised by an extraordinary motion.
 - 5.1.4. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
 - 5.1.5. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances

of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

- 5.1.6. Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
 - 5.1.7. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
 - 5.1.8. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.
- 5.2. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
- 5.2.1. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
 - 5.2.2. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.3. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- 5.4. This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- 5.4.1. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
 - 5.4.2. This Corporation 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.
 - 5.4.3. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots

- shall also be furnished.
- 5.4.4. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
 - 5.4.5. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- 5.5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- 5.5.1. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
 - 5.5.2. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
 - 5.5.3. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
 - 5.5.4. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
- 5.6. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
- 5.6.1. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- 5.7. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- 5.7.1. The chair shall call the meeting to order at the appointed meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present is announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
 - 5.7.2. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total

number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

- 5.7.3. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- 5.8. If a shareholders meeting is convened by the board of directors, relevant motions (including interim motions and amendments to the original motion) shall be voted on a case-by-case basis, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
 - 5.8.1. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
 - 5.8.2. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
 - 5.8.3. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting, and arrange adequate voting time.
- 5.9. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
 - 5.9.1. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
 - 5.9.2. 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.
 - 5.9.3. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
 - 5.9.4. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- 5.10. Voting at a shareholders meeting shall be calculated based the number of shares.
 - 5.10.1. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
 - 5.10.2. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting

- rights as proxy for any other shareholder.
- 5.10.3. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
 - 5.10.4. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- 5.11. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- 5.11.1. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.
 - 5.11.2. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
 - 5.11.3. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
 - 5.11.4. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. 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 poll of 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 into the MOPS.
 - 5.11.5. 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.
 - 5.11.6. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders

of this Corporation.

- 5.11.7. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- 5.12. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the list of unsuccessful directors and the number of voting rights.
 - 5.12.1. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- 5.13. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
 - 5.13.1. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
 - 5.13.2. 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 vote results (including statistical weight), when electing directors and supervisors, the number of votes for each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of this Corporation.
- 5.14. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
 - 5.14.1. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
- 5.15. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
 - 5.15.1. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
 - 5.15.2. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
 - 5.15.3. 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.
- 5.16. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

- 5.16.1. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- 5.16.2. 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.
- 5.17. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
6. Attachment: None.
7. Reference document: None.
8. Amendment Records:
 - 8.1. Edition 1.0 approved by the Board of Directors on May 16, 2014.
 - 8.2. Edition 1.1 approved by the Board of Directors on March 20, 2018, and implemented after the approval of the resolution of the provisional Shareholders' Meeting on June 14, 2018.
 - 8.3. Edition 1.2 approved by the Board of Directors on March 25, 2021, and implemented after the approval of the resolution of the general Shareholders' Meeting on July 20, 2021.

Appendix 3**Nan Pao Resins Chemical Co., Ltd
Shareholding of Directors**

Date : April 25, 2022

Position	Name	Date Elected	Shareholding while elected		Current Shareholding	
			Shares	%	Shares	%
Chairman	Cheng-Hsien, Wu	20200616	441,808	0.37%	393,065	0.33%
Director	Guang Rong Investment Ltd. Representative : Ming-Hsien, Hsu	20200616	8,868,132	7.36%	8,868,132	7.36%
Director	Guang Rong Investment Ltd. Representative : Ying-Lin, Huang					
Director	Pou Chien Enterprise Co., Ltd Representative : Nai-Yung, Tsai	20200616	10,920,248	9.06%	10,920,248	9.06%
Independent director	Yun, Chen	20200616	0	0.00%	0	0.00%
Independent director	Yung-Cheng, Chiang	20200616	0	0.00%	0	0.00%
Independent director	Yi-Hsi, Lee	20200616	0	0.00%	0	0.00%
Total			20,230,188		20,181,445	

Note :

- Total issued shares on July 20, 2021: 120,570,780 shares ;
Total issued shares on April 25, 2022: 120,570,780 shares.
- The minimum required combined shareholding of all directors by law: 8,000,000 shares ;
The combined shareholding of all directors on the closure date: 20,181,445 shares.
- The shares held by independent directors shall not be counted in the calculation of director shareholdings.
- The Company has established Audit Committee, thus the minimum shareholding requirements for supervisors do not apply.