

China Petrochemical Development Corporation

Annual Shareholder Meeting Handbook 2025

Type of Meeting: Physical Shareholders' Meeting

Time: May 15, 2025 (Thursday), 9:30am

Location: The Toufen Plant of China Petrochemical Development Corporation (No. 217, Sec.2, Ziqiang Road, Toufen City, Miaoli County, Taiwan)

DISCLAIMER

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CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

TABLE OF CONTENTS

I.	Meeting Procedures	1
II.	Meeting Agenda	2
III.	Report Items	3
IV.	Ratification Items	4
V.	Discussion Items.....	6
VI.	Extemporaneous Motion	9
VII.	Adjournment.....	9
VIII.	Attachments	
	1. 2024 Business Report	10
	2. Audit Committee’s Review Report.....	20
	3. Status of the Directors’ Remuneration of 2024	21
	4. 2024 Independent Accountant’s Audit Report & 2024 Financial Statements	23
	5. Earnings Distribution Table for 2024	43
	6. Comparison between Original and Amendments to the “Articles of Incorporation”	44
	7. Comparison between Original and Amendments to the “Procedures for the Acquisition or Disposal of Assets”	47
	8. Inventory of Investment Property for Disposal in Jingmao Section, Subsection 8, Qianzhen District, Kaohsiung City	48
IX.	Appendices	
	1. Articles of Incorporation.....	49
	2. Procedures for the Acquisition or Disposal of Assets	57
	3. Rules Governing the Proceedings of Shareholder Meetings	75
	4. Registration Procedures for Attending Shareholder Meetings	85
	5. Shareholdings of the Company’s Directors	87

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

2025 Meeting Procedures

1. Report the number of shares represented at the meeting
2. Chairman announces start of the meeting
3. Chairman's remarks
4. Report Items
5. Ratification Items
6. Discussion Items
7. Extemporary Motions
8. Adjournment

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

2025 Meeting Agenda

- I. Type of Meeting: Physical Shareholders' Meeting
- II. Time: May 15, 2025 (Thursday), 9:30am
- III. Location: The Toufen Plant of China Petrochemical Development Corporation
(No. 217, Sec.2, Ziqiang Road, Toufen City, Miaoli County, Taiwan)
- IV. Meeting Procedure:
 - (I) Report the number of shares represented at the meeting
 - (II) Chairman announces start of the meeting
 - (III) Chairman's remarks
 - (IV) Report Items:
 - 1. 2024 Business Report.
 - 2. Audit Committee's Review Report on the 2024 Financial Statements.
 - 3. Status of the employees' and directors' remuneration of 2024.
 - 4. 2024 Directors' Remuneration Report.
 - 5. Other reporting items.
 - (V) Ratification Items:
 - 1. Ratification of the 2024 Business Report and Financial Statements.
 - 2. Ratification of the 2024 Earnings Distribution Proposal.
 - (VI) Discussion Items:
 - 1. Amendment to the "Articles of Incorporation."
 - 2. Amendment to the "Procedures for the Acquisition or Disposal of Assets."
 - 3. Proposed Disposal of Certain Investment Properties in Kaohsiung City.
 - (VII) Extemporaneous Motions
 - (VIII) Adjournment

Report Items

I. 2024 Business Report.

Description: 2024 Business Report (Please refer to Attachment 1).

II. Audit Committee's Review Report on the 2024 Financial Statements.

Description: Audit Committee's Review Report (Please refer to Attachment 2).

III. Status of the Employees' and Directors' Remuneration of 2024.

Description:

- (I) In accordance with Article 32 of the Articles of Incorporation: "If the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. The above remuneration to the employees may be allotted in cash or stock, eligible personnel includes employees at subsidiaries that meet the requirement by the Board. The above remuneration to the directors shall be in cash. The earnings in paragraph one means the annual pre-tax earnings before deduction of the remuneration to employees and directors. Distribution of the employees' and directors' remuneration shall be resolved at board meetings, with over two-third of directors in attendance and approved by over half of the attending directors, and reported to the shareholder's meeting."
- (II) In accordance with the Company's Articles of Incorporation, 3% of the annual profit has been allocated as employee remuneration, amounting to NT\$11,740,253. As for directors' remuneration, given the prevailing global economic volatility and the downturn in the petrochemical industry, which have resulted in overall business performance falling short of expectations, no distribution will be made. This decision aims to address future economic uncertainties while ensuring a balanced consideration of shareholder interests.

IV. 2024 Directors' Remuneration Report.

Description:

- (I) According to the Company's Articles of Incorporation, if the Company has earnings, it shall set aside no greater than 2% of the balance as remuneration to the Directors. The salary and remuneration of Directors shall be duly proposed by the Company's Remuneration Committee and submitted to the Board of Directors for final approval based on the extent of their participation in the business operations and the level of their contribution to the Company with reference to the international or domestic industrial standards.
- (II) Please refer to Attachment 3 for the remuneration policy, systems, standards and structure, and the Status of Directors' remuneration of 2024.

V. Other Reporting items.

Ratification Items

ITEM 1 :

(Proposed by the Board of Directors)

Proposal: Ratification of the 2024 Business Report and Financial Statements.

Description:

- I. The Company's 2024 parent only and consolidated financial statements have been audited by Ms. Melody Chen and Mr. Vincent Wu of KPMG.
- II. The Company's 2024 business report and financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of the Company and are hereby submitted for adoption.
- III. Please refer to:
Attachment 1: 2024 Business Report
Attachment 4: 2024 Parent Only and Consolidated Financial Statements

Resolution:

ITEM 2:

(Proposed by the Board of Directors)

Proposal: Ratification of the 2024 Earnings Distribution Proposal.

Description:

- I. As of the beginning of fiscal year 2024, the Company's undistributed surplus stood at NT\$0. The net profit after tax for the year amounted to NT\$247,675,482, with an additional of NT\$16,157,816 recognized for the actuarial remeasurement of the defined benefit plan, which is recorded as a reduction in undistributed surplus. Furthermore, the reversal of special surplus reserves from the disposal of investment properties to retained earnings contributed NT\$3,211,781,341, resulting in a total distributable surplus of NT\$3,475,614,639. In accordance with Article 237 of the Company Act, the Company proposes to allocate 10% of distributable surplus, amounting to NT\$252,021,902, to the legal reserve. Additionally, a special surplus reserve of NT\$3,223,592,737 is set aside to account for the net increase in subsequent measurement of investment properties under the fair value model. Consequently, the ending balance of undistributed surplus remains at NT\$0, and no dividends or bonuses will be distributed for the current fiscal year.
- II. Please refer to Attachment 5 for the Earnings Distribution Table for 2024.

Resolution:

Discussion Items

ITEM 1

(Proposed by the Board of Directors)

Proposal: Amendment to the “Articles of Incorporation.”

Description:

- I. In compliance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend Article 32 of its Articles of Incorporation to explicitly stipulate the allocation ratio of grassroots employee remuneration if the Company makes a profit during the year.
- II. Please refer to Attachment 6 for the Comparison between Original and Amendments to “Articles of Incorporation.”

Resolution :

ITEM 2

(Proposed by the Board of Directors)

Proposal: Amendment to the “Procedures for the Acquisition or Disposal of Assets.”

Description:

- I. To support the Company's future business development and align with industry practices, the investment limit for individual security by the Company and its subsidiaries is proposed to be revised from "not exceeding 50% of the Company's shareholders' equity" to "not exceeding 70% of the Company's shareholders' equity."
- II. Please refer to Attachment 7 for the Comparison between Original and Amendments to "Procedures for the Acquisition or Disposal of Assets.”

Resolution:

ITEM 3

(Proposed by the Board of Directors)

Proposal: Proposal for the disposal of certain investment properties in Kaohsiung City for resolution.

Description:

- I. To enhance working capital and repay financial institution loans, the Company proposes to dispose of 10 parcels of investment property located in Qianzhen District, Kaohsiung City (Jingmao Section, Subsection 8, Lot No. 4, 4-1 to 4-9), with a total area of approximately 36,330 pings. The Board of Directors is authorized to carry out the disposal, either in whole or in parts depending on market conditions, in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and other applicable laws and regulations.
- II. For details on the land inventory, please refer to Appendix 8 of this handbook: "Inventory of Investment Property for Disposal in Jingmao Section, Subsection 8, Qianzhen District, Kaohsiung City."

Resolution:

Extemporaneous Motion

Adjournment

China Petrochemical Development Corporation

2024 Business Report

CPDC's 2024 consolidated operating revenue was NT\$29,442,000,000, net operating loss was NT\$1,907,000,000, and net profit after tax was NT\$220,000,000. The 2024 operating status is as follows:

(1) Analysis of Production and Sales of Main Products:

Production and Sales Volume of Main Products in the Past 2 Years

Unit: Tons

Production and Sales Volume Main Products	2024 (Consolidated)		2023 (Consolidated)		Increase (Decrease) Volume			
	Production	Sales	Production	Sales	Production %		Sales %	
Acrylonitrile (AN)	185,897	198,381	169,620	185,136	16,277	10%	13,245	7%
Caprolactam (CPL), Nylon Chips	298,134	252,225	298,279	235,874	(145)	0%	16,351	7%
O-phenylphenol (OPP)	2,014	2,102	714	1,212	1,300	182%	890	73%

Note: The production volume includes the amount of internal use transfer.

1. Due to the easing inflation, gradual recovery in downstream demand, and proactive efforts in acquiring new customers, the production and sales volume of Acrylonitrile (AN) have both increased compare with the previous year.
2. Due to the global economy is transitioning into a period of interest rate cuts,, the moderate recovery of the manufacturing sector, and inventory replenishment driving demand growth, coupled with the increased production capacity of the nylon chips production line at the Company's subsidiary in Mainland China, the sales volume of Caprolactam (CPL) has increased compared with the previous year.
3. Due to the completion of inventory destocking and adjustments in the panel and optical markets, overall market demand has rebounded, leading to an increase in both production and sales volume of O-phenylphenol (OPP) compared with the previous year.

(2) Analysis of Operating Revenue and Expenses and profitability:

Annual Income Statement

Unit: NT \$thousands

Item \ Year	2024 (Consolidated)	2023 (Consolidated)	Increase (Decrease)	%
Operating Revenue	29,442,175	25,443,378	3,998,797	16%
Gross Profit (Loss)	201,808	(1,127,085)	1,328,893	118%
Operating Profit (Loss)	(1,906,985)	(2,913,476)	1,006,491	35%
Non-Operating Income and Expenses	2,610,176	2,520,819	89,357	4%
Pre-Tax Profit	703,191	(392,657)	1,095,848	279%
Net Profit after Tax	219,506	(1,081,266)	1,300,772	120%
EPS (After Tax in NT dollar)	0.07	(0.28)	0.35	125%

1. Operating revenue

The 2024 consolidated operating revenue increased by NT \$3,999,000,000 and about 16% from the previous year. The main factors are as follows:

- (1) The revenue from Acrylonitrile (AN) and its related products amounted to NT\$8,131,000,000, an increase by NT\$656,000,000 (or 9%) compared to last year's revenue of NT\$7,475,000,000. This growth was driven by the impact of interest rate cuts, a slower inflation rate, a recovery in downstream demand, and proactive efforts in acquiring new customers, resulting in an increase in sales volume compared to the previous year.
- (2) The revenue from Caprolactam (CPL) and its related products amounted to NT\$15,251,000,000, an increase by NT\$2,223,000,000 (or 17%) compared to last year's revenue of NT\$13,028,000,000. This growth was driven by the gradual economic recovery, demand growth, and the increased production capacity of the nylon chips production line at the Company's subsidiary in Mainland China, resulting in a sales volume increase compared to the previous year.
- (3) Revenue from other departments (including subsidiaries) amounted to NT\$6,060,000,000, an increase by NT\$1,120,000,000 (or 23%) compared to last year's revenue of NT\$4,940,000,000. This growth was primarily driven by the increased sales volume of Cyclohexanone at the Company's subsidiary in Mainland China compared to the previous year.

2. Operating Profit

Net operating profit in 2024 increased by NT \$1,006,000,000, or 35%, compared to the previous year. The main factors are described below:

- (1) In the Acrylonitrile (AN) and its related products segment, the easing of inflation due to interest rate cuts and the recovery in downstream demand led to a slight increase in sales prices, resulting in a profit increase of NT\$266,000,000 compared to the previous year.
- (2) In the Caprolactam (CPL) and its related products segment, the impact of rising energy costs and the strategy of gradual price increases and decreases adopted by domestic petrochemical competitors in Mainland China to stabilize the market led to an increase in sales prices, resulting in an overall profit increase of NT\$910,000,000 compared to the previous year.

- (3) Operating expenses for the current year increased by approximately NT\$322,000,000 compared to the previous year. This increase is primarily due to the provision for allowance for doubtful accounts and the reversal of allowance for doubtful accounts from the previous year.

3. Non-Operating Income and Expenses

Non-operating income increased by NT \$89,000,000, or 4%, compared to the previous year, mainly due to:

- (1) The disposal gain from investment properties increased by NT\$1,997,000,000 compared to the previous year.
- (2) The share of profit or loss from affiliates and joint ventures recognized using the equity method increased by NT\$302,000,000 compared to the previous year.
- (3) The valuation gain of investment properties decreased by NT\$562,000,000 compared to the previous year.
- (4) The site remediation costs for Anshun Site and Shulin Site increased by NT\$1,371,000,000 compared to the previous year.
- (5) The impairment loss on property, plant, and equipment increased by NT\$187,000,000 compared to the previous year.

4. Net Profit Before and After Tax

The net profit before tax for the current year was NT \$703,000,000, an increase of NT \$1,096,000,000 or 279% compared to the previous year. The net profit after tax for the current year was NT \$220,000,000 (earnings per share of NT \$0.07), an increase of NT \$1,301,000,000 compared to the net loss after tax of NT \$1,081,000,000 (earnings per share of NT \$-0.28).

(3) Analysis of Financial Performance:

1. Financial Status: At the end of the year, consolidated total assets were NT \$142,100,000,000, total liabilities were NT \$62,500,000,000, and total shareholder equity was NT \$79,600,000,000.
2. Key Financial Ratios: Current ratio at the end of the year was 200%, quick ratio was 47%, and debt ratio (total liabilities to total assets) was 44%.
3. Cash and Cash Equivalents: Net inflow of cash and cash equivalents from operating, investing, and financing activities for the year was NT \$700,000,000, and the balance of cash and cash equivalents at the end of the period was NT \$6,200,000,000.

(4) Important Management Work and Implementation Overview:

The key management activities of the China Petrochemical Development Corporation for the current year are categorized into the following six major areas: Production Management, Occupational Safety and Environmental Protection, Information Management, Human Resources Management, Financial and Capital Planning, and Sustainable Development. The details are as follows:

1. Production Management:

The Company continues to focus on and is committed to enhancing environmental protection and production efficiency. Through the application of advanced technologies and strategic partnerships, we continuously optimize production processes, balancing economic benefits with environmental protection. In line with the government's policy to increase the proportion

of renewable energy generation, the Company has proactively installed renewable energy systems. In 2023, the Siaogang Plant, Dashe Plant, and Douliou Plant achieved a renewable energy installation capacity exceeding 10% of the statutory contractual capacity (with a total installed capacity of 3,119 kW). In 2024, the solar power generation equipment generated 3,522,435 kWh, which can reduce approximately 1,740 tons of CO₂e emissions. Moving forward, we will continue to assess sites with potential for renewable energy development, evaluate the feasibility of installations, and gradually increase the installed capacity of renewable energy systems. The Dashe Plant completed the VOCs (Volatile Organic Compounds) reduction improvement project and wastewater treatment project in 2024, effectively reducing environmental pollution, lowering perimeter concentrations, and enhancing ecological and environmental protection, demonstrating the Company's commitment to environmental responsibility. The first and second phases of the Kaohsiung Port Intercontinental Container Terminal Phase II warehousing investment project commenced operations in 2023, enhancing flexibility in raw material procurement and product scheduling, thereby strengthening the overall efficiency of the supply chain. The Siaogang Plant continues to focus on the development and testing of electronic-grade products to expand its product range and increase the Company's operational competitiveness. The Toufen Plant continues its upgrading and transformation strategy, focusing on the development of fine chemicals, actively developing low-carbon, electronic-grade products, and green energy businesses. Additionally, to meet Taiwan Power Company's requirements for stable regional power supply and system security, a gas engine generator set has been installed to replace the existing coal-fired cogeneration unit. After it starts operation in 2025, the system is expected to not only reduce electricity costs and enhance operational competitiveness but also significantly reduce pollution and carbon emissions from coal combustion.

2. Occupational Safety and Environmental Protection:

Due to the nature of the industry, the Company places significant emphasis on occupational health and safety management, as well as the recording of environmental footprints throughout its operations. To minimize the environmental impact of factory operations, prevent pollution incidents, and strengthen occupational safety and health management, the Company has implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System across all plants. Through the operation of these management systems, the Company ensures that emissions and waste generated during the production process are properly disposed of, and that workplace safety and health facilities comply with legal requirements. The Company envisions a green petrochemical industry future and adopts a proactive approach to addressing climate change issues and risks. A carbon emission module has been established on the Company's smart decision-making platform to monitor real-time carbon emission data, enabling timely adjustments to carbon reduction strategies and targets. The Company's main production facilities are certified under ISO 9001, ISO 14001, ISO 45001, ISO 46001, and ISO 50001, and verified under ISO 14064, and conduct annual verification every year to maintain the effectiveness of management system operations.

(1) Occupational Health and Safety: Occupational health and safety management is integrated into the Company's sustainability strategy. Each plant has established an occupational health and safety management plan to maintain a safe working environment and protect employee health. The Company continues to promote the ISO 45001 Occupational Health

and Safety Management System and Process Safety Management (PSM) practices, with the goal of maintaining process conditions and safety. We have established proactive and reactive items, as well as performance indicators for process safety management, setting Key Performance Indicators (KPIs) for process safety management to ensure the normal operation and effectiveness of process safety management. A cyclical management mechanism, following the Plan-Do-Check-Act (PDCA) approach, is implemented to foster an active and positive safety culture. The Company also collects industry-related occupational safety regulations, participates in government consultation meetings, and develops corresponding action plans.

- (2) Environmental Protection: In response to international trends and the government's promotion of environmental sustainability policies, CPDC actively drives environmental protection initiatives and green economy practices to achieve sustainable development goals. In 2024, the Dashe Plant was awarded the Excellence in Air Quality Purification Area Maintenance and Adoption Award; the Siaogang Plant received the Air Quality Purification Area Adoption Environmental Ministry Excellence Award and the Kaohsiung City Government Environmental Protection Bureau Outstanding Contribution Award; and the Toufen Plant was honored with the Energy-saving Benchmark Award by the Ministry of Economic Affairs' Energy Bureau and a Certificate of Appreciation from the Miaoli County Government Environmental Protection Bureau for voluntary reductions in air pollution during the seasonal period.

3. Information Management:

The Company continues to drive digital transformation to enhance overall operational efficiency and management performance. Through the integration of key systems and process optimization, the Company achieves information system integration and automated management. Regarding information security, the Company optimizes its information security management system in accordance with ISO 27001 standards. It has established privileged account management and Endpoint Detection and Response (EDR) monitoring mechanisms, centralizing access control of privileged accounts to reduce the misuse of special privilege accounts. EDR software is installed on all user workstations to detect suspicious activities on hosts and endpoints, preventing cybersecurity incidents caused by hacker intrusions. This aligns with cybersecurity governance policies and regulatory compliance, effectively mitigating network threats and data breach risks, thereby enhancing the Company's competitiveness and overall value.

Furthermore, the Company is actively investing in the research and development of generative AI technology and modular management applications to drive technological innovation and enhance operational efficiency. By establishing a local large language models and integrating system APIs, the Company improves data analysis and decision-making efficiency, completing the AI application planning blueprint and developing multiple AI modules and practical application scenarios. The Company has introduced advanced front-end frameworks and generative AI platforms to strengthen technical development and innovation efficiency. Regular educational training sessions and the establishment of internal communication platforms promote knowledge sharing and the application of technology. In the future, the Company will continue to deepen its AI technology initiatives, and through the CPDC AI Lab's development and testing, it will provide intelligent solutions to support business development and management effectiveness.

Through the adoption of generative AI technology and modular management, the Company not only strengthens its technological innovation capabilities but also comprehensively enhances operational efficiency and management effectiveness, laying a solid foundation for future growth.

4. Human Resource Management:

The Company adheres to a people-centric philosophy, valuing not only internal talent cultivation and development but also actively attracting external top-tier talent. The Company is committed to thoroughly understanding and developing internal human resources and attracts external talent through diverse recruitment channels. By continuously conducting competency and talent assessments, the Company strengthens its organizational culture alignment and fosters a friendly workplace environment to enhance employee satisfaction and engagement.

In response to the Company's product transformation trends, the Company has established a talent database and flexibly deploys project teams to meet rapidly changing market demands. In addition to focusing on employees' career development, the Company has also planned relevant digital transformation training courses to enhance digital skills. Furthermore, leveraging technological tools in talent development, the Company continually optimizes its management data modularization and intelligent decision-making platforms, enhancing system functionalities to improve employees' ability to innovate in new business and create new opportunities. This drives the Company towards achieving its sustainable development goals.

Within the global operational framework, the Company adopts a multinational management model, combining horizontal and vertical communication to promote employees' self-directed learning and professional growth. A clear performance evaluation mechanism ensures employees receive appropriate evaluations and work assignments, fostering high-performance teams. These strategies not only enhance employees' professional capabilities but also provide the Company with a competitive advantage in its ongoing pursuit of sustainable business objectives.

5. Financial and Capital Planning:

In response to the dual development strategy of petrochemicals and land development, the Company continues to strengthen its cooperation with financial institutions and utilize capital markets for fundraising, maintaining a reasonable and secure cash flow to meet the Company's funding needs. Additionally, leveraging the Company's current ESG achievements, the Company is negotiating ESG-linked loan preferential interest rates with financial institutions to reduce borrowing costs. Going forward, the Company will continue to allocate funds according to its operational plans, improve financial ratios, and enhance its credit rating, thereby optimizing the Company's financial structure.

6. Sustainable Development:

The Company is committed to the vision of "pursuing green environmental and ecological development, coexisting and thriving with the Earth and society." We have developed the CPDC Sustainable Development Strategy Blueprint 2.0, which incorporates 12 of the United Nations Sustainable Development Goals (SDGs), and have set short, medium, and long-term greenhouse gas reduction commitments as part of our pathway toward the 2050 net-zero carbon emissions target. This serves as the guiding framework for driving the Company's sustainable development, integrating sustainable development into our business strategy.

To achieve the sustainable business strategy, under the supervision of the Board of Directors and the guidance of the Sustainable Development Committee, the Company continued to promote ESG projects and CSR actions in 2024. The results are as follows:

(1) Environmental Sustainability Aspect (Environmental):

In 2024, the Company achieved remarkable results in energy conservation and carbon reduction. It was honored with the Ministry of Economic Affairs' Energy Efficiency Benchmarking Award, the “Climate Leadership Award” at the 17th TCSA Taiwan Corporate Sustainability Awards, the “Net Zero Industry Competitiveness Excellence Award (Plastics Industry)” from the 21st Century Foundation, the “1.5°C Label Certificate” from the TRIPs "Corporate Carbon Reduction Thermometers" by CommonWealth Magazine, and was ranked in the “Top 100 Carbon Competitiveness Companies” by Business Weekly 2024, securing the top position in the plastics industry. Additionally, the Company has participated in the International Carbon Disclosure Project (CDP) for seven consecutive years, achieving a management rating of B for both Climate Change and Water Security. These honors not only recognize the Company's efforts in carbon reduction strategies and sustainability actions but also highlight its achievements in the carbon transformation process and progress towards net-zero carbon emissions, demonstrating a competitive advantage in the low-carbon economy era.

The Company has set a goal of reducing greenhouse gas emissions by 2% annually, with 2005 as the base year. The total carbon reduction targets are: short-term goal of a 20% reduction by 2025, mid-term goal of a 50% reduction by 2030, and long-term goal of a 100% reduction by 2050. At the same time in 2024, the Company established a Biodiversity And No-Deforestation Declaration and revised policies related to Occupational Safety And Health, Environmental Protection, Energy, Water Resources, Quality, And Cyber Security, reflecting the Company's deep commitment to ESG principles.

In the carbon reduction initiative, the Company invested NT\$87,478,000 in 2024 to implement 13 energy conservation and carbon reduction projects. These efforts resulted in a carbon reduction of approximately 73,558 metric tons of CO₂e/year, a reduction in electricity consumption of 722,000 kWh, and a water savings of 14,776 metric tons. The projects included initiatives such as “Process Carbon Reduction,” “Equipment Efficiency Improvement and Carbon Reduction,” and “New Equipment Optimization and Carbon Reduction.” Notable examples include: the improvement of the nitric acid system exhaust and energy-saving upgrades to rotating equipment at the Siaogang Plant, cooling tower fan and pump energy-saving improvements at the Dashe Plant, and the replacement of ice water machines at the Douliou Plant. Furthermore, all five plants achieved ISO 46001 certification for Water Resource Efficiency Management Systems. The Toufen Plant also implemented a cogeneration plant transformation project, while the Dashe Plant launched VOCs reduction and wastewater improvement projects, demonstrating the Company's commitment to enhancing energy efficiency and promoting environmental protection through concrete actions..

(2) Social Coexistence Aspect (Social):

The Company not only focuses on sustainable development but also actively shapes its internal corporate culture and advocates for a healthy lifestyle. In 2024, the Company received the Silver Award for Happiness Enterprises from 1111 Job Bank, the Sports Enterprise Mark Certification from the Ministry of Education's Sports Administration, and

the Healthy Workplace Certification from the Health Promotion Administration, Ministry of Health and Welfare (for the Douliou Plant, Toufen Plant, and Taipei Office). These accolades reflect the Company's achievements in creating a healthy workplace and promoting employee well-being. Additionally, the Dashe Plant has established a safety partnership with the Kaohsiung City Government Labor Bureau of Labor Inspection Office, working together to foster a corporate safety culture and striving toward the goal of "Zero Occupational Accidents."

In terms of responsible procurement and the circular economy, the Company is committed to supporting local regeneration and empowering small farmers by engaging in charitable donation activities. For example, through the Friendly Agricultural Exchange Platform, the Company has assisted over 200 local farmers and supported more than 30 businesses in green procurement, fostering positive societal and environmental cycles. Furthermore, the Company actively responds to green procurement policies, with green procurement expenditures reaching NT\$24,024,920 in 2024. The Company also implements circular economy principles by continuously promoting the "Sea Waste Recycling Small Fishing Bags" designed and developed by the Company, which play a significant role in advancing green products and protecting the oceans.

In terms of cultural promotion, the Company encourages employees to sponsor elementary school children and child welfare groups for educational visits, enhancing public understanding and transmission of traditional culture. Additionally, the Company sponsored a parent-child concert organized by the World Citizens & Digital Governance Foundation, attracting nearly 800 attendees and conveying the values of kindness and love to the public. The various plants strongly support local cultural activities, including folk culture observation, religious ceremonies, and public welfare seminars, successfully promoting cultural education and inheritance, fulfilling the corporate mission of "Giving Back to the Community, Cultural Sustainability."

In the area of public welfare and education, the Company has reinforced its social responsibility through activities such as blood donation campaigns, elder and child care programs, and support for vulnerable groups. Initiatives like the "Star Kids Run," "Christmas Wish Gift," and the Taichung Happy Learning Day trip actively support children with special needs and disadvantaged families. In 2024, the total value created by the Company reached NT\$4,740,000, benefiting over 1,600 individuals from vulnerable groups. The Company also actively fosters talent through industry-academia exchanges and community collaborations, contributing to the development of local communities. Furthermore, the Anshun Site collaborated with the Tainan City Government to organize over 100 environmental education activities, covering topics such as dengue fever prevention, environmental protection advocacy, and soil pollution remediation. The plant also designed digital learning courses and online videos, promoting environmental protection and energy knowledge to over 1,000 participants.

(3) Corporate Governance Aspect (Governance):

The Company is committed to achieving the net-zero carbon emission target by 2050 and has gained high recognition in international sustainability rankings. It has been included in the S&P Global Sustainability Yearbook for five consecutive years and received a Chemical Industry percentile ranking (PR) of 95 in the S&P Global Corporate Sustainability Assessment (CSA, aka DJSI evaluation). Additionally, the Company was awarded the

“Taiwan Sustainability Excellence Award” at the 17th TCSA Taiwan Corporate Sustainability Awards and won the “Traditional Manufacturing Industry - Category 1 Gold Award” for its Sustainability Report. These honors affirm the Company’s long-term commitment to sustainable development and its outstanding achievements.

To enhance the governance structure, the Company obtained ISO 27001 information security management certification in 2024. It has also continuously established policies and regulations related to ESG, such as integrating sustainability information management into internal controls, establishing a whistleblower reward and protection mechanism, creating a sustainable supply chain management policy, and developing procedures for managing related-party transactions. The Company has also revised its Corporate Governance Best Practice Principles, Corporate Sustainable Development Committee Charter, Sustainable Development Best Practice Principles, and the Sustainability Report Preparation, Verification and Filing Procedures. The revision of these governance and sustainability policies and procedures lays a solid foundation for the Company’s future sustainable development, highlighting CPDC's strong focus on corporate governance.

Furthermore, regarding the dioxin pollution issue left behind by the state-owned era at the Taiwan Alkaline Anshun site, the Company has proactively taken responsibility for the remediation and cooperated with the competent authorities to carry out necessary supervision and inspection. The Company hopes that after completing the remediation work, the land will be revitalized, and it will work closely with local residents and the Tainan City Government to integrate green energy, greening, and cultural industries. This will not only restore the vibrant cityscape of the past but also incorporate ESG principles into local cultural development.

(5) Overview of Research and Development and Future Development Directions:

Innovation and research and development have always been at the core of the Company's strategy for achieving sustainable operations. Currently, the main directions of research and development are as follows:

Existing Process Improvement: The Company continue to improve current manufacturing process and technology, primarily on efficiency, cost reduction, circular production, energy conservation and carbon reduction. Will develop relevant by-products and derivatives, leverage the advantages of raw materials, and strengthen the integration of the upstream and downstream raw material supply chain.

New Product Development: By integrating market intelligence with existing technologies, the Company evaluates its strengths and identifies high-value products with significant market development potential, including optics, new energy, and communications, the Company develop high-value products (such as high-refractive optical materials, lithium battery safety additives, solid electrolytes, 5G high-frequency substrate materials, etc.). Based on our own core technologies and existing products, the Company increases the sales of high-value products and seek cooperation opportunities with major manufacturers in the industry to assist in the outsourcing of key materials, expand the Company's industrial chain layout, and provide a full range of services.

In addition to consolidating its technological leadership in existing product markets, the Company is accelerating the development of new product production technologies. To date, the Company has secured 266 patents, demonstrating its strong research and development capabilities. Through the accumulation of patent results and quantities, the Company continues to implement

intellectual property protection. Since 2010, the Company has introduced and passed the TIPS (Taiwan Intellectual Property Management System) certification promoted by the Ministry of Economic Affairs, establishing a comprehensive intellectual property protection system.

In line with global ESG trends, the Company actively promotes ESG initiatives, explores new business opportunities, and is dedicated to developing green, environmentally friendly processes, circular production, and reducing pollutant generation to minimize environmental harm. These efforts align with the circular economy system, achieving the core goal of sustainable operations.

(6) Business Strategy and Future Operational Outlook:

The Company embraces sustainability as its core principle, focusing on the development of new products with market potential while continuously optimizing existing products. It will continue to advance its dual business strategy of “petrochemical business” and “land development,” with a focus on “forward-looking governance,” “smart production,” “communication and dialogue,” and “corporate care” as its sustainable development strategies.

In the petrochemical business, due to the industry's characteristics, the Company continues to emphasize the importance of ESG initiatives. It is actively promoting the achievement of low-carbon transformation goals at its factories, leveraging intelligent management systems to enhance product competitiveness. The Company is committed to the innovation and optimization of existing products, expanding into the electronic and specialty chemicals markets, and entering the semiconductor materials supply field. It will also focus on the development and market expansion of green, low-carbon products.

In terms of land development, the Company will initially focus on revitalizing its domestic land assets and following real estate development trends with the goal of investing when opportunities arise. In the long term, it plans to advance related development projects through phased and zoned approaches, investing in large-scale land parcels and small-to-medium-sized development projects. These will be aligned with environmentally friendly, energy-efficient, carbon-absorbing, and intelligent green building products.

CPDC adheres to the principles of sustainable business practices and environmental coexistence, actively advancing the processes in its dual focus areas of petrochemical and land development. The Company utilizes an intelligent decision-making platform to enhance operational efficiency, effectively reduce business risks, and continuously improve corporate governance standards. In line with its transformation and upgrade, the Company will adjust its organizational structure flexibly to respond to industry changes and market demands, strengthening its positioning in high-value and low-carbon products to enhance core competitiveness. Furthermore, to ensure resilience and growth momentum in a dynamic market environment, the Company will further strengthen its financial foundation, optimize resource allocation, and improve operational efficiency and investment returns. The goal is to create long-term shareholder value while fulfilling its corporate social responsibility and mission as a global citizen. CPDC is committed to the vision of transitioning to green petrochemical industry, actively seeking breakthroughs, enhancing its competitive development, and upholding a sustainable business stance to promote social harmony and balanced development.

Chairman:



General Manager:



Accounting Manager:



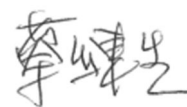
China Petrochemical Development Corporation

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, Consolidated Financial Statements, and Loss Appropriation Table for 2024. The CPA firm of KPMG was retained to audit China Petrochemical Development Corporation's Financial Statements and Mr. Vincent Wu and Ms. Melody Chen have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, Consolidated Financial Statements, and Loss Appropriation Table have been reviewed and determined to be correct and accurate by the Audit Committee of China Petrochemical Development Corporation. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

China Petrochemical Development Corporation 2025 Annual Shareholders' Meeting

Convener of the Audit Committee: Lian-Sheng Tsai 蔡練生



March 12th, 2025

Status of the directors’ remuneration of 2024

1. Remuneration to Directors and Independent Directors (Names and remuneration thereof to be disclosed individually)

December 31, 2024 Unit: NT\$ thousands

Title	Name	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%) (Note 10)				Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%) (Note 10)				Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary or from Parent Company (Note 11)	
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)						Salary, Bonus, and Allowance (E)		Severance Pay (F)		Employee Compensation (G) (Note 6)									
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)		The Company	All companies in the consolidated financial statements (Note 7)						
Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock																								
Chairman	Core Pacific Co., Ltd. Representative: Ruey-Long Chen	10,645	10,645	0	0	0	0	0	30	10,645	4.2979%	10,675	4.3100%	0	0	0	0	0	0	0	0	10,645	4.2979%	10,675	4.3100%	598	
Director 2024/5/29 Expiration	Core Pacific Co., Ltd. Representative: Shaw-Shin Yang	0	0	0	0	0	0	200	200	200	0.0808%	200	0.0808%	0	0	0	0	0	0	0	0	200	0.0808%	200	0.0808%	0	
Director and Vice Chairman 2024/5/29 Expiration	Jen Hwei Enterprise Co., Ltd. Representative: Jiun-Nan Bai	2,354	2,354	0	0	0	0	0	0	2,354	0.9503%	2,354	0.9503%	0	0	0	0	0	0	0	0	2,354	0.9503%	2,354	0.9503%	0	
Director 2024/5/30 New	Jen Hwei Enterprise Co., Ltd. Representative: Shaw-Shin Yang	0	0	0	0	0	0	280	280	280	0.1131%	280	0.1131%	0	0	0	0	0	0	0	0	280	0.1131%	280	0.1131%	0	
Director 2024/5/29 Expiration	BES Engineering Corp. Representative: To be appointed	0	0	0	0	0	0	0	0	0	0.0000%	0	0.0000%	0	0	0	0	0	0	0	0	0	0.0000%	0	0.0000%	0	
Director 2024/5/30 New	BES Engineering Corp. Representative: Jiun-Nan Bai	0	0	0	0	0	0	283	283	283	0.1141%	283	0.1141%	0	0	0	0	0	0	0	0	283	0.1141%	283	0.1141%	0	
Director 2024/5/30 Concurrently serves as Vice Chairman	Yao Chuen Co., Ltd. Representative: Hui-Ting Shen	2,580	2,580	0	0	0	0	199	199	2,779	1.1220%	2,779	1.1220%	1,152	1,152	0	0	0	0	0	0	3,931	1.5871%	3,931	1.5871%	61	
Director	C.P. Leasing Co., Ltd. Representative: Kuen-Ming Lin	0	0	0	0	0	0	480	510	480	0.1938%	510	0.2059%	0	0	0	0	0	0	0	0	480	0.1938%	510	0.2059%	0	
Independent Director 2024/5/29 Expiration	Yun-Peng Chu◎☆	1,500	1,500	0	0	0	0	0	0	1,500	0.6056%	1,500	0.6056%	0	0	0	0	0	0	0	0	1,500	0.6056%	1,500	0.6056%	0	
Independent Director 2024/5/29 Expiration	Wen-Yen Pan◎☆	1,500	1,500	0	0	0	0	0	0	1,500	0.6056%	1,500	0.6056%	0	0	0	0	0	0	0	0	1,500	0.6056%	1,500	0.6056%	0	
Independent Director	Lian-Sheng Tsai◎☆	2,050	2,050	0	0	0	0	0	0	2,050	0.8277%	2,050	0.8277%	0	0	0	0	0	0	0	0	2,050	0.8277%	2,050	0.8277%	0	
Independent Director 2024/5/30 New	Yuan-San Lu◎☆	1,060	1,060	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	0	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	
Independent Director 2024/5/30 New	Chia-Yu Chiu◎☆	1,060	1,060	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	0	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	
Independent Director 2024/5/30 New	Mei-Ling Chen◎☆	1,060	1,060	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	0	0	0	0	0	0	0	1,060	0.4280%	1,060	0.4280%	0	
1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment: The remuneration to the Directors is authorized by the Board of Directors in accordance with the Company's Articles of Incorporation and is based on the Directors' participation in the Company's operations and the value of their contributions, with reference to domestic and international industry standards. If the Company makes any profit, the Board of Directors shall, in accordance with the Company's Articles of Incorporation, resolve the amount of remuneration to Directors. If the Independent Director is a member of a functional committee of the Company, in addition to the ordinary remuneration of a director, he/she shall be paid a different and reasonable remuneration, taking into account his/her responsibilities, risks and time commitment. (◎ refers to Audit Committee member, ☆ refers to Remuneration Committee member)																											
2. Except as disclosed in the above chart, remuneration to directors received due to the service (e.g., as the consultant of non-employee of parent company/all companies included in the financial report/reinvestment business) provided to all companies listed in the financial statement in the most recent year: None.																											

Note 1: The name of directors shall be listed separately (for corporate shareholders, the names of such corporate shareholders and their representatives shall be listed separately), with their titles (Director or Independent Director) being listed separately, and the various payments shall be disclosed in aggregate.

Note 2: Referred to the remuneration paid to directors in the most recent year (including their salaries, duty allowance, severance payments, bonuses, and performance rewards).

Note 3: Fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

- Note 4: Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods such as cars). In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. If a driver is assigned, please specify the payment made by the Company to the driver, but exclude the same from the remuneration.
- Note 5: Referred to the remuneration paid to directors in the recent year who simultaneously held another position in the Company (as a president, Vice president, manager, or an employee), including salaries, duty allowances, severance payments, bonuses, performance rewards, transport fees, special expenses, various allowances, accommodation, and provision of physical items such as a car. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. If a driver is assigned, please specify the payment made by the Company to the driver, but exclude the same from the remuneration. The salary expenses recognized in accordance with IFRS 2 “Share-based Payment”, including acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.
- Note 6: Referred to the employee compensation (including cash and stock) received by a director who simultaneously held another position in the Company (as a general manager, vice general manager, manager, and an employee) for the recent year, disclose the amount of remuneration distributed to employees after being approved by the Board for the past year. For amounts that are unable to estimate, propose the distribution amount for the year based on the actual distribution made last year, and fill out the Table “Names of Managers Who Distributed Employee Compensation and the Status of Distribution”.
- Note 7: Total remuneration in various items paid out to the Company’s directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.
- Note 8: For the total remuneration in various items paid out to the Company’s directors, the name of each director shall be disclosed in the corresponding range of the remuneration.
- Note 9: It is required to disclose the various remuneration in the aggregate paid by the Company and all consolidated entities to each director, whose name is also required to be disclosed in the range of remuneration to which they belong. Total Amount on CPDC Name of in various items paid out to the Company’s directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.
- Note 10: Net income after tax shall refer to the earnings after tax identified in the entity or the parent company only financial statement for the most recent year.
- Note 11: a. Compensations received by the directors from other non-subsidiary companies invested by the Company or the parent company shall be disclosed in this column (If there is none, please fill in "none").
b. Where a director has received compensation from an investee other than the Company’s subsidiaries or the parent company, such remuneration shall be consolidated into column I of the Table of Remuneration Range, which column shall then be changed to the title of “Parent Company and All Reinvestment.”
c. Remuneration denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related remuneration in connection with business expenses that are paid to one of the Company’s directors who serves as a director, supervisor or manager for an investee other than the Company’s subsidiaries or the parent company.

Since the contents of the remuneration disclosed in this table are different from the concept of income used in the Income Tax Act, the purpose of this table is for disclosure, not for taxation use.

I. 2024 Parent Only Company Financial Report

Independent Auditors' Report

To the Board of Directors of China Petrochemical Development Corporation:

Opinion

We have audited the financial statements of China Petrochemical Development Corporation ("CPDC" or "the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

As described in notes 9(c) of the notes to the financial statements, on October 30, 2019, Core Pacific Dev. Corp., a subsidiary of the Company, entered into a real estate sales agreement with Core Pacific City Co., Ltd. for the land at Core Pacific Plaza, wherein Core Pacific Dev. Corp. signed a syndicated loan agreement with a consortium of banks on October 21, 2021, with the Company acting as the joint guarantor. However, the additional floor area for the land at Core Pacific Plaza is currently involved in a criminal dispute due to the incentives; hence, was seized by the Taipei District Court in October 2024, with a prohibition on disposal. The case was still in progress as of the reporting date. Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of certain investee corporations, associates of the Company, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain investee corporations, is based solely on the reports of other auditors. The investments in certain investee corporations accounted for using the equity method constituting 5.41% and 5.23% of total assets at December 31, 2024 and 2023, respectively, and the related share of profit (loss) of associates accounted for using the equity method constituting 81.09% and (3.11)% of profit (loss) before tax for the years then ended, respectively.

Key Audit Matters

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

1. Revenue recognition

Refer to Note 4(p) “Revenue Recognition”, Note 6(v) “Revenue from contracts with customers” in the financial statements.

Description of key audit matter:

Operating revenue is the most important source of cash flow for CPDC, and it is a significant risk accounting subject in the financial statements. So revenue recognition is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our key audit procedures included:

- Understanding and testing the controls related to the sales and collection cycle to confirm the effectiveness of internal controls, and assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards;
- Analyzing and comparing the sales amounts and volumes for the major customers of CPDC. Based on samples selected, vouched significant transactions from both internal and external documents, to verify the authenticity of the transactions;
- Testing samples of sales revenue transactions around the balance sheet date year end by vouching relevant documents to assess whether the revenue is accurately recognized in the appropriate period in the financial statement.

2. Assessment of the fair value of investment property

Refer to Note 4(k) “Investment Property”, Note 5(a) “Significant Accounting Judgments, Estimation, Assumptions, and Sources of Estimation Uncertainty”, and Note 6(j) “Investment Property” of the financial statements for details about fair value information on investment property.

Description of key audit matter:

The book value of investment property of CPDC represented 31% of total assets as of December 31, 2024, which is significant to the financial statements as a whole. CPDC evaluates the fair value of investment property according to IAS40, and re-measures such fair value on the reporting date. Since the valuation of investment property demands significant professional judgments, the assessment of fair value of investment property is considered one of the key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included:

- Obtain from CPDC management the real estate appraisal report on investment property;
- Engage another appraiser to review such real estate appraisal report, and to evaluate the propriety of the evaluation method used, and the reasonableness of its main assumptions or input values (ex. discount rate and final rate of return);
- Evaluate the propriety of the disclosure of fair value of investment property.

3. Impairment assessment of property, plant, and equipment

Refer to Note 4(i) “Impairment of non derivative financial assets”, Note 5(b) “Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty”, and Note 6(h) “Property, plant and Equipment” of the financial statements for details of the information about impairment assessment on property, plant, and equipment.

Description of key audit matter:

The book value of property, plant, and equipment of CPDC represented 14% of total assets as of December 31, 2024, which is deemed to be significant. The overall economic trend, market competition and fluctuations in the price of petroleum and petrochemical products may affect the future operation of CPDC, and also affect the estimated economic benefits and recoverable amounts of these assets that the management of CPDC may estimate and determine in the future of the cash generating unit (“CGU”) of the assets, and to evaluate whether there are indicators of impairment. The recoverable amounts of the CGU involved significant uncertainties and professional judgments. Therefore, we consider the assessment for impairment of property, plant, and equipment as one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our key audit procedures included:

- Regarding CGUs identified with indicators of impairment, we obtained the evaluation issued by the management in order to assess whether current operating conditions, historical trends, and industry-specific situation were taken into account while considering the future operating cash flows.
- Regarding CGUs tested for impairment, the valuation specialist from our firm assisted in evaluating whether the assumptions and the parameters of the weighted average cost of capital as well as its relevant factors used by the management for measuring the recoverable amount were reasonable through comparing with the current and industry-specific situation.

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

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 matters that were of most significance in the audit of the financial statements of the current period 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 Wu, Cheng-Yen and Chen, Mei-Fang.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2025

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 2,706,374	3	3,385,815	3	2100	Short-term loans (Note 6(k))	\$ 2,550,000	2	3,646,000	3
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	268,309	-	258,034	-	2130	Current contract liabilities (Note 6(v))	4,262	-	82,505	-
1120	Current financial assets at fair value through other comprehensive income (Notes 6(c))	17,180	-	-	-	2170	Accounts payable	1,007,045	1	913,082	1
1170	Notes and accounts receivable, net (Note 6(d))	1,937,904	2	1,885,185	2	2180	Accounts payable to related parties (Note 7)	986	-	879	-
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	363,346	-	470,840	1	2200	Other payables (Note 7)	1,705,718	1	1,945,917	1
1200	Other receivables	61,665	-	204,673	-	2250	Current provisions (Notes 6(p) and 6(r))	824,244	1	606,306	-
1210	Other receivables due from related parties (Note 7)	57,680	-	38,138	-	2280	Current lease liabilities (Note 6(o))	25,422	-	10,739	-
1220	Current tax assets	31,330	-	26,010	-	2320	Long-term liabilities, current portion (Notes 6(l) and 6(m))	8,130,529	7	5,254,478	4
130X	Inventories (Note 6(e))	1,986,389	2	2,509,555	2	2399	Other current liabilities, others	2,472,862	2	712,831	1
1410	Prepayments	560,651	-	363,543	-		Total current liabilities	16,721,068	14	13,172,737	10
1461	Non-current assets classified as held for sale (Note 6(j))	3,567,998	3	1,529,280	1	2530	Non-Current liabilities:				
1470	Other current assets (Note 6(f) and 8)	405,167	-	3,854,242	3	2540	Bonds payable (Note 6(m))	-	-	3,500,000	3
	Total current assets	11,963,993	10	14,525,315	12	2540	Long-term loans (Note 6(l))	10,240,885	8	12,461,422	10
	Non-current assets:					2550	Non-current provisions (Note 6(p) and 6 (r))	2,498,917	2	2,171,672	2
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	20,324	-	24,643	-	2570	Deferred tax liabilities (Note 6(s))	7,208,782	6	7,571,896	6
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c) and 8)	1,431,949	1	1,202,043	1	2580	Non-current lease liabilities (Note 6(o) and 7)	226,200	-	88,316	-
1551	Investments accounted for using equity method (Note 6(g) and 8)	54,825,646	44	49,538,891	40	2611	Long-term bills payable (Note 6(n))	7,510,677	6	7,712,256	6
1600	Property, plant and equipment (Note 6(h) and 8)	17,061,857	14	17,769,070	14	2670	Other non-current liabilities, others	85,685	-	98,475	-
1755	Right-of-use assets (Note 6(i))	461,470	-	283,893	-		Total non-current liabilities	27,771,146	22	33,604,037	27
1760	Investment property, net (Note 6(j) and 8)	37,929,509	31	41,780,379	33		Total liabilities	44,492,214	36	46,776,774	37
1840	Deferred tax assets (Note 6(s))	11,009	-	11,009	-	3110	Equity (Note 6(t)):				
1900	Other non-current assets (Note 8)	281,148	-	300,121	-	3200	Ordinary shares	37,848,502	30	37,848,502	30
	Total non-current assets	112,022,912	90	110,910,049	88	3310	Capital surplus	1,582,006	1	1,582,006	1
						3320	Legal reserve	2,260,465	2	2,871,774	2
						3350	Special reserve	34,854,417	28	38,066,198	30
						3400	Unappropriated retained earnings	3,475,614	3	(611,309)	-
							Total other equity interest	(526,313)	-	(1,098,581)	-
							Total equity	79,494,691	64	78,658,590	63
Total assets		\$ 123,986,905	100	125,435,364	100	Total liabilities and equity		\$ 123,986,905	100	125,435,364	100

(English Translation of Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(v) and 7)	\$ 19,114,805	100	17,159,278	100
5000	Operating costs (Note 6(e))	19,321,068	101	18,392,293	107
		(206,263)	(1)	(1,233,015)	(7)
5910	Less: Unrealized loss from sales	519	-	77	-
5920	Add: Realized (loss) profit from sales	(77)	-	(7,409)	-
	Gross loss from operations	(205,821)	(1)	(1,240,347)	(7)
	Operating expenses (Note 7):				
6100	Selling expenses	508,190	3	491,045	3
6200	Administrative expenses	394,058	2	350,287	2
6300	Research and development expenses	206,239	1	202,597	1
6450	Impairment loss (gain from reversal of impairment loss) determined in accordance with IFRS 9	-	-	(94,906)	(1)
	Total operating expenses	1,108,487	6	949,023	5
	Net operating loss	(1,314,308)	(7)	(2,189,370)	(12)
	Non-operating income and expenses:				
7100	Interest income (Note 6(x))	132,880	1	162,026	1
7010	Other income (Notes 6(x) and 7)	280,072	1	255,257	1
7590	Other gains and losses (Note 6(x) and 7)	(1,248,776)	(7)	(70,572)	-
7050	Finance costs (Notes 6(o) and 6(x))	(609,536)	(3)	(565,643)	(3)
7060	Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net (Note 6(g))	(800,162)	(4)	(807,774)	(5)
7215	Gains on disposals of investment property (Note 6(j))	1,997,111	10	-	-
7255	Gains on fair value adjustment, investment property (Note 6(j))	2,581,475	14	3,147,676	18
7673	Impairment loss on property, plant, and equipment (Note 6(h))	(639,154)	(3)	(542,810)	(3)
	Total non-operating income and expenses	1,693,910	9	1,578,160	9
	Profit (loss) before tax	379,602	2	(611,210)	(3)
7950	Less: income tax expense (Note 6(s))	131,927	1	448,828	3
	Profit (loss)	247,675	1	(1,060,038)	(6)
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(r))	5,544	-	(14,479)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(t))	227,631	1	545,211	3
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (Note 6(t))	(69,534)	-	1,803	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	163,641	1	532,535	3
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 6(t))	522,881	3	(11,974)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (Note 6(t))	(98,096)	(1)	(193,343)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss	424,785	2	(205,317)	(1)
8300	Other comprehensive income, net of tax	588,426	3	327,218	2
8500	Total comprehensive income	\$ 836,101	4	(732,820)	(4)
	Earnings (loss) per share (expressed in dollars) (Note 6(u))				
9750	Basic earnings (loss) per share	\$ 0.07		(0.28)	
9850	Diluted earnings (loss) per share	\$ 0.07		(0.28)	

(English Translation of Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance at January 1, 2023	\$ 37,848,502	1,579,658	2,884,198	38,066,198	(12,424)	(512,359)	(464,301)	79,389,472
Loss for the year ended December 31, 2023	-	-	-	-	(1,060,038)	-	-	(1,060,038)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(19,865)	(205,317)	552,400	327,218
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	(1,079,903)	(205,317)	552,400	(732,820)
Appropriation and distribution of retained earnings:								
Legal reserve used to offset accumulated deficits	-	-	(12,424)	-	12,424	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	2,348	-	-	-	(336)	(74)	1,938
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	468,594	-	(468,594)	-
Balance at December 31, 2023	37,848,502	1,582,006	2,871,774	38,066,198	(611,309)	(718,012)	(380,569)	78,658,590
Profit for the year ended December 31, 2024	-	-	-	-	247,675	-	-	247,675
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	16,158	424,785	147,483	588,426
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	263,833	424,785	147,483	836,101
Appropriation and distribution of retained earnings:								
Legal reserve used to offset accumulated deficits	-	-	(611,309)	-	611,309	-	-	-
Disposal of investments prsperties (Transfer of special reserve to unappropriated retained earnings)	-	-	-	(3,211,781)	3,211,781	-	-	-
Balance at December 31, 2024	<u>\$ 37,848,502</u>	<u>1,582,006</u>	<u>2,260,465</u>	<u>34,854,417</u>	<u>3,475,614</u>	<u>(293,227)</u>	<u>(233,086)</u>	<u>79,494,691</u>

(English Translation of Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 379,602	(611,210)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	975,683	1,000,965
Gain from reversal of impairment loss determined in accordance with IFRS 9	-	(94,906)
Net gain on financial assets at fair value through profit	(55,588)	(39,812)
Interest expense	609,536	565,643
Interest income	(132,880)	(162,026)
Dividend income	(140,655)	(119,637)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	800,162	807,774
Gain on disposal of property, plant and equipment	(633)	-
Property, plant and equipment transferred to expenses	-	39
Gain on disposal of non-current assets classified as held for sale	(1,997,111)	-
Impairment loss (reversal of impairment gain) on non-financial assets	5,845	(72,268)
Unrealized loss from sales	(519)	(77)
Realized loss from sales	77	7,409
Impairment loss on property, plant and equipment	639,154	542,810
Gain on fair value adjustment of investment property	(2,581,475)	(3,147,676)
Gain on lease modification	-	(1,290)
Total adjustments to reconcile profit (loss)	(1,878,404)	(713,052)
Changes in operating assets and liabilities:		
Increase in accounts receivable	(52,719)	(875,795)
Decrease (increase) in accounts receivable due from related parties	107,494	(201,815)
Decrease (increase) in other receivables	140,036	(179,186)
Increase in other receivable due from related parties	(19,542)	(14,208)
Decrease in inventories	507,898	903,616
Increase in prepayments	(197,108)	(38,813)
Decrease in other current assets	175,923	39,074
Total changes in operating assets	661,982	(367,127)
(Decrease) increase in contract liabilities	(78,243)	78,537
Increase in accounts payable	93,963	44,869
Increase in accounts payable to related parties	107	126
Decrease in other payable	(235,554)	(273,580)
Increase (decrease) in provisions	545,183	(626,805)
Increase in other current liabilities	71,852	6,212
Total changes in operating liabilities	397,308	(770,641)
Total changes in operating assets and liabilities	1,059,290	(1,137,768)
Total adjustments	(819,114)	(1,850,820)
Cash outflow generated used in operations	(439,512)	(2,462,030)
Interest received	137,094	167,936
Interest paid	(608,518)	(561,194)
Income taxes paid	(500,337)	(133,796)
Net cash flows used in operating activities	(1,411,273)	(2,989,084)

(English Translation of Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	\$ (9,265)	(40,725)
Proceeds from disposal of financial assets at fair value through profit or loss	68,241	5,762
Acquisition of financial assets at fair value through other comprehensive income	-	(14,820)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	670,000
Equity and amount recovery of financial assets at fair value through other comprehensive income	-	(351,290)
Acquisition of investments accounted for using equity method	(7,310,000)	(2,150,000)
Proceeds from capital reduction of investments accounted for using equity method	956,395	280,000
Proceeds from disposal of non-current assets classified as held for sale	6,400,161	-
Acquisition of property, plant and equipment	(910,073)	(1,276,893)
Proceeds from disposal of property, plant and equipment	1,399	-
Increase in receipts in advance due to disposal of assets	1,688,179	696,141
Decrease in other receivables due from related parties	-	1,500,000
Cash inflows due to combination	9,123	-
Decrease (increase) in other financial assets	3,400,000	(1,175,735)
Decrease in other non-current assets	18,973	15,803
Dividends received	597,001	488,077
Net cash flows from (used in) investing activities	4,910,134	(1,353,680)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(1,096,000)	1,096,000
Proceeds from long-term debt	17,121,000	29,607,800
Repayments of long-term debt	(19,965,486)	(28,052,800)
Increase in long-term bills payable	64,990,000	53,690,000
Decrease in long-term bills payable	(65,190,000)	(52,800,000)
Payment of lease liabilities	(21,688)	(27,128)
Decrease in other non-current liabilities	(12,790)	(25,707)
Interest paid	(3,338)	(1,938)
Net cash (used in) flows from financing activities	(4,178,302)	3,486,227
Net decrease in cash and cash equivalents	(679,441)	(856,537)
Cash and cash equivalents at beginning of period	3,385,815	4,242,352
Cash and cash equivalents at end of period	\$ 2,706,374	3,385,815

II. 2024 Consolidated Financial Report

Independent Auditors' Report

To the Board of Directors of China Petrochemical Development Corporation:

Opinion

We have audited the consolidated financial statements of China Petrochemical Development Corporation ("CPDC") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to 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, 2024 and 2023, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

As described in notes 9(c) of the notes to the consolidated financial statements, on October 30, 2019, Core Pacific Dev. Corp., a subsidiary of the Company, entered into a real estate sales agreement with Core Pacific City Co.,Ltd. for the land at Core Pacific Plaza, wherein Core Pacific Dev. Corp. signed a syndicated loan agreement with a consortium of banks on October 21, 2021, with the Company acting as the joint guarantor. However, the additional floor area for the land at Core Pacific Plaza is currently involved in a criminal dispute due to the incentives; hence, was seized by the Taipei District Court in October 2024, with a prohibition on disposal. The case was still in progress as of the reporting date. Our opinion is not modified in respect of this matter.

Other Matter

CPDC has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion with an Emphasis of Matter paragraph and an Other Matter paragraph.

We did not audit the financial statements of Taivex Therapeutics Corporation, a subsidiary of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Taivex Therapeutics Corporation, is based solely on the report of another auditor. The financial statements of Taivex Therapeutics Corporation reflect total assets constituting 0.16% and 0.21% of consolidated total assets at December 31, 2024 and 2023, respectively, and total operating revenues constituting both 0% of consolidated total operating revenues for the years then ended, respectively.

We did not audit the financial statements of certain investee corporations, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain investee corporations, is based solely on the reports of other auditors. The investments in certain investee corporations accounted for using the equity method constituting 4.62% and 4.37% of consolidated total assets at December 31, 2024 and 2023, respectively, and the related share of (loss) profit of associates accounted for using the equity method constituting 51.15% and (9.98)% of consolidated (loss) profit before tax for the years then ended, respectively.

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 of the current period. 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.

1. Revenue recognition

Refer to Note 4(r) “Revenue Recognition”, Note 6(y) “Revenue from contracts with customers” in the consolidated financial statements.

Description of key audit matter:

Operating revenue is the most important source of cash flow for the Group, and it is a significant risk accounting subject in the consolidated financial statements. So revenue recognition is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our key audit procedures included:

- Understanding and testing the controls related to the sales and collection cycle to confirm the effectiveness of internal control, and assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards;
- Analyzing and comparing the sales amounts and volumes for the major customers of the Group. Based on samples selected, vouched significant transactions from both internal and external documents, to verify the authenticity of the transactions;
- Testing samples of sales transactions around the balance sheet date by vouching relevant documents to assess whether the revenue is accurately recognized in the appropriate period in the financial statement.

2. Assessment of the fair value of investment property

Refer to Note 4(l) “Investment Property”, Note 5(a) “Significant Accounting Judgments, Estimation, Assumptions, and Sources of Estimation Uncertainty”, and Note 6(k) “Investment Property” of the consolidated financial statements for details about fair value information on investment property.

Description of key audit matter:

The book value of investment property of the Group represented 27% of consolidated total assets as of December 31, 2024, which is significant to the financial statements as a whole. The Group evaluates the fair value of investment property according to IAS40, and re-measures such fair value on the reporting date. Since the valuation of investment property demands significant professional judgments, the assessment of fair value of investment property is considered one of the key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included:

- Obtain from the Group management the real estate appraisal report on investment property;
- Engage another appraiser to review such real estate appraisal report, and to evaluate the propriety of the evaluation method used, and the reasonableness of its main assumptions or input values (ex. discount rate and final rate of return);
- Evaluate the propriety of the disclosure of fair value of investment property.

3. Impairment assessment of property, plant, and equipment

Refer to Note 4(m) “Impairment of non derivative financial assets”, Note 5(b) “Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty”, and Note 6(i) “Property, plant and Equipment” of the consolidated financial statements for details of the information about impairment assessment on property, plant, and equipment.

Description of key audit matter:

The book value of property, plant, and equipment of the Group represented 18% of consolidated total assets as of December 31, 2024, which is deemed to be significant. The overall economic trend, market competition and fluctuations in the price of petroleum and petrochemical products may affect the future operation of the Group, and also affect the estimated economic benefits and recoverable amounts of these assets that the management of the Group may estimate and determine in the future of the cash generating unit (“CGU”) of the assets, and to evaluate whether there are indicators of impairment. The recoverable amounts of the CGU involved significant uncertainties and professional judgments. Therefore, we consider the assessment for impairment of property, plant, and equipment as one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our key audit procedures included:

- Regarding CGUs identified with indicators of impairment, we obtained the evaluation issued by the management in order to assess whether current operating conditions, historical trends, and industry-specific situation were taken into account while considering the future operating cash flows.
- Regarding CGUs tested for impairment, the valuation specialist from our firm assisted in evaluating whether the assumptions and the parameters of the weighted average cost of capital as well as its relevant factors used by the management for measuring the recoverable amount were reasonable through comparing with the current and industry-specific situation.

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 with the IFRSs, IASs, IFRC, 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 auditor's 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 the 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 matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Wu, Cheng-Yen and Chen, Mei-Fang.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 6,165,897	4	5,513,603	4	2100	Short-term loans (Note 6(m))	\$ 14,580,224	10	16,319,097	11
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	349,332	-	425,717	-	2110	Short-term bills payable (Note 6(p))	1,591,181	1	2,255,846	2
1120	Current financial assets at fair value through other comprehensive income (Note 6(c))	17,180	-	14,215	-	2130	Current contract liabilities (Note 6(y))	143,850	-	192,638	-
1170	Notes and accounts receivable, net (Note 6(d))	2,375,513	2	2,711,856	2	2170	Accounts payable	2,093,642	1	1,722,443	1
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	272,938	-	270,878	-	2180	Accounts payable to related parties (Note 7)	986	-	879	-
1200	Other receivables (Note 7)	148,772	-	264,792	-	2200	Other payables (Note 7)	2,021,747	1	2,249,494	2
1220	Current tax assets	37,961	-	36,127	-	2230	Current tax liabilities	18,104	-	20,457	-
130X	Inventories (Notes 6(e) and 8)	50,457,274	36	48,132,160	33	2250	Current provisions (Notes 6(s) and 6(u))	824,554	1	606,616	-
1410	Prepayments	1,416,562	1	1,208,862	1	2260	Liabilities related to non-current assets classified as held for sale (Note 6(g))	601,503	1	-	-
1460	Non-current assets classified as held for sale, net (Notes 6(g) and 6(k))	4,386,472	3	1,529,280	1	2280	Current lease liabilities (Note 6(r))	43,870	-	43,509	-
1470	Other current assets (Notes 6(f) and 8)	2,314,392	2	6,485,314	5	2320	Long-term liabilities, current portion (Notes 6(n) and 6(o))	9,637,758	7	6,106,920	4
	Total current assets	<u>67,942,293</u>	<u>48</u>	<u>66,592,804</u>	<u>46</u>	2399	Other current liabilities, others	<u>2,473,569</u>	<u>2</u>	<u>714,172</u>	<u>-</u>
Non-current assets:						Total current liabilities		<u>34,030,988</u>	<u>24</u>	<u>30,232,071</u>	<u>20</u>
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	20,324	-	33,987	-	Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 8)	1,446,601	1	1,216,695	1	2530	Bonds payable (Note 6(o))	-	-	4,407,353	3
1551	Investments accounted for using equity method (Notes 6(h) and 8)	7,182,835	5	6,988,873	5	2540	Long-term loans (Note 6(n))	10,716,509	8	14,414,428	10
1600	Property, plant and equipment (Notes 6(i) and 8)	25,943,733	18	27,528,332	19	2550	Non-current provisions (Notes 6(s) and 6(u))	2,571,078	2	2,241,470	2
1755	Right-of-use assets (Note 6(j))	1,032,903	1	986,213	-	2570	Deferred tax liabilities (Note 6(v))	7,209,415	5	7,572,553	5
1760	Investment property, net (Notes 6(k) and 8)	38,086,248	27	41,800,545	29	2580	Non-current lease liabilities (Note 6(r))	343,058	-	218,624	-
1780	Intangible assets (Note 6(l))	49,995	-	177,997	-	2611	Long-term bills payable (Note 6(q))	7,510,677	5	7,712,256	5
1840	Deferred tax assets (Note 6(v))	11,009	-	11,009	-	2670	Other non-current liabilities, others	129,840	-	140,578	-
1900	Other non-current assets (Note 8)	369,952	-	369,020	-		Total non-current liabilities	<u>28,480,577</u>	<u>20</u>	<u>36,707,262</u>	<u>25</u>
	Total non-current assets	<u>74,143,600</u>	<u>52</u>	<u>79,112,671</u>	<u>54</u>		Total liabilities	<u>62,511,565</u>	<u>44</u>	<u>66,939,333</u>	<u>45</u>
Total assets		<u>\$ 142,085,893</u>	<u>100</u>	<u>145,705,475</u>	<u>100</u>	Equity attributable to owners of parent (Note 6(w)):					
						3110	Ordinary shares	37,848,502	27	37,848,502	26
						3200	Capital surplus	1,582,006	1	1,582,006	1
						3310	Legal reserve	2,260,465	2	2,871,774	2
						3320	Special reserve	34,854,417	25	38,066,198	26
						3350	Unappropriated retained earnings (accumulated deficit)	3,475,614	2	(611,309)	-
						3400	Total other equity interest	(526,313)	(1)	(1,098,581)	-
							Total equity attributable to owners of parent:	79,494,691	56	78,658,590	55
						36XX	Non-controlling interests	79,637	-	107,552	-
							Total equity	<u>79,574,328</u>	<u>56</u>	<u>78,766,142</u>	<u>55</u>
							Total liabilities and equity	<u>\$ 142,085,893</u>	<u>100</u>	<u>145,705,475</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		(restated) 2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(y) and 7)	\$ 29,442,175	100	25,443,378	100
5000	Operating costs (Note 6(e))	29,240,367	99	26,570,463	104
	Gross profit (loss) from operations	201,808	1	(1,127,085)	(4)
	Operating expenses (Note 7):				
6100	Selling expenses	806,328	3	774,070	3
6200	Administrative expenses	889,262	3	841,607	3
6300	Research and development expenses	285,462	1	264,323	1
6450	Impairment loss (gain from reversal of impairment loss) determined in accordance with IFRS 9	127,741	-	(93,609)	-
	Total operating expenses	2,108,793	7	1,786,391	7
	Net operating loss	(1,906,985)	(6)	(2,913,476)	(11)
	Non-operating income and expenses:				
7100	Interest income (Note 6(aa))	247,457	1	389,866	2
7010	Other income (Notes 6(aa) and 7)	328,502	1	257,831	1
7020	Other gains and losses (Note 6(aa))	(1,422,630)	(5)	(130,944)	-
7050	Finance costs (Notes 6(r) and (aa))	(752,372)	(3)	(655,285)	(3)
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(h))	355,682	1	53,883	-
7215	Gains on disposals of investment property (Note 6(aa))	1,997,111	7	-	-
7673	Impairment loss on property, plant and equipment (Notes 4 and 6(i))	(729,367)	(2)	(542,810)	(2)
7255	Gains on fair value adjustment, investment property (Note 6(k))	2,585,793	9	3,148,278	12
	Total non-operating income and expenses	2,610,176	9	2,520,819	10
	Profit (loss) before tax	703,191	3	(392,657)	(1)
7950	Less: tax expense (Note 6(v))	160,643	1	496,159	2
	Profit (loss) from continuing operations	542,548	2	(888,816)	(3)
	Profit (loss) from discontinued operations:				
8100	Profit (loss) from discontinued operations, net of tax	(323,042)	(1)	(192,450)	(1)
	Profit (loss)	219,506	1	(1,081,266)	(4)
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(u))	6,027	-	(14,413)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (Note 6(w))	232,871	1	546,504	2
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (Note 6(w))	(75,257)	-	444	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	163,641	1	532,535	2
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 6(w))	400,275	1	(234,618)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (Note 6(w))	24,764	-	29,304	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss	425,039	1	(205,314)	(1)
8300	Other comprehensive income, net of tax	588,680	2	327,221	1
8500	Total comprehensive income	\$ 808,186	3	(754,045)	(3)
	Profit (loss) attributable to:				
8610	Owners of parent				
	Profit (loss), attributable to continuing operation	\$ 570,717	2	(867,588)	(3)
	Profit (loss), attributable to discontinued operation	(323,042)	(1)	(192,450)	(1)
	Profit (loss), attributable to owners of parent	\$ 247,675	1	(1,060,038)	(4)
	Non-controlling interest				
8620	Profit (loss), attributable to continuing operation	\$ (28,169)	-	(21,228)	-
	Profit (loss), attributable to discontinued operation	-	-	-	-
	Loss, attributable to non-controlling interest	\$ (28,169)	-	(21,228)	-
	Comprehensive income attributable to:				
8710	Owners of parent				
	Comprehensive income, attributable to continuing operation	\$ 1,167,849	4	(528,490)	(2)
	Comprehensive income, attributable to discontinued operation	(331,748)	(1)	(204,330)	(1)
	Comprehensive income, attributable to owners of parent	\$ 836,101	3	(732,820)	(3)
	Non-controlling interests				
8720	Comprehensive income, attributable to continuing operation	\$ (27,915)	-	(21,225)	-
	Comprehensive income, attributable to discontinued operation	-	-	-	-
	Comprehensive income, attributable to non-controlling interests	\$ (27,915)	-	(21,225)	-
	Earnings (loss) per share (expressed in dollars) (Note 6(x))				
9750	Basic earnings (loss) per share				
	Basic earnings (loss) per share-continuing operation	\$ 0.15		(0.23)	
	Basic loss per share-discontinued operation	(0.08)		(0.05)	
		\$ 0.07		(0.28)	
9850	Diluted earnings (loss) per share				
	Diluted earnings (loss) per share-continuing operation	\$ 0.15		(0.23)	
	Diluted loss per share discontinued operation	(0.08)		(0.05)	
		\$ 0.07		(0.28)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Retained earnings					Other equity		Total equity attributable to owners of parent				
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)							
Balance at January 1, 2023	\$ 37,848,502	1,579,658	2,884,198	38,066,198	(12,424)	(512,359)	(464,301)	79,389,472	128,777	79,518,249		
Loss for the year ended December 31, 2023	-	-	-	-	(1,060,038)	-	-	(1,060,038)	(21,228)	(1,081,266)		
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(19,865)	(205,317)	552,400	327,218	3	327,221		
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	(1,079,903)	(205,317)	552,400	(732,820)	(21,225)	(754,045)		
Appropriation and distribution of retained earnings:												
Legal reserve used to offset accumulated deficits	-	-	(12,424)	-	12,424	-	-	-	-	-		
Changes in equity of associates and joint ventures accounted for using equity method	-	2,348	-	-	-	(336)	(74)	1,938	-	1,938		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	468,594	-	(468,594)	-	-	-		
Balance at December 31, 2023	37,848,502	1,582,006	2,871,774	38,066,198	(611,309)	(718,012)	(380,569)	78,658,590	107,552	78,766,142		
Profit for the year ended December 31, 2024	-	-	-	-	247,675	-	-	247,675	(28,169)	219,506		
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	16,158	424,785	147,483	588,426	254	588,680		
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	263,833	424,785	147,483	836,101	(27,915)	808,186		
Appropriation and distribution of retained earnings:												
Legal reserve used to offset accumulated deficits	-	-	(611,309)	-	611,309	-	-	-	-	-		
Disposal of investment properties (Transfer of special reserve to unappropriated retained earnings)	-	-	-	(3,211,781)	3,211,781	-	-	-	-	-		
Balance at December 31, 2024	\$ 37,848,502	1,582,006	2,260,465	34,854,417	3,475,614	(293,227)	(233,086)	79,494,691	79,637	79,574,328		

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA PETROCHEMICAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) from continuing operations before tax	\$ 703,191	(392,657)
Loss from discontinued operations before tax	(323,042)	(192,450)
Profit (loss) before income tax	380,149	(585,107)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,468,304	1,428,851
Amortization expense	10,692	8,383
Impairment loss (gain from reversal of impairment loss) determined in accordance with IFRS 9	130,027	(91,234)
Net gain on financial assets at fair value through profit	(51,465)	(41,408)
Interest expense	797,766	712,257
Interest income	(247,689)	(390,108)
Dividend income	(140,655)	(119,739)
Loss on early redemption of corporate bonds	7,871	-
Share of profit of associates and joint ventures accounted for using equity method	(355,682)	(53,883)
Loss on disposal of property, plant and equipment	44,320	652
Property, plant and equipment transferred to expenses	-	39
Gain on disposal of non-current assets classified as held for sale	(1,997,111)	-
Loss on disposal of investments accounted for using equity method	-	947
Impairment loss (reversal of impairment gain) on non-financial assets	168,147	(79,448)
Gain on fair value adjustment of investment properties	(2,585,793)	(3,148,278)
Gain on lease modification	(12)	(1,299)
Impairment loss on property, plant and equipment	729,367	542,810
Total adjustments to reconcile profit	(2,021,913)	(1,231,458)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	197,991	(1,122,277)
Increase in accounts receivable from related parties	(2,060)	(9,678)
Increase in other receivables	(21,040)	(191,370)
Increase in inventories	(2,306,117)	(59,481)
(Increase) decrease in prepayments	(215,635)	137,301
Decrease (increase) in other current assets	2,272,359	(36,391)
Total changes in operating assets	(74,502)	(1,281,896)
(Decrease) increase in contract liabilities	(38,815)	126,792
Increase in accounts payable	397,381	211,478
Increase in accounts payable to related parties	107	126
Decrease in other payables	(246,147)	(257,099)
Increase (decrease) in provisions	569,850	(641,218)
Increase (decrease) in other current liabilities	71,218	(1,347)
Total changes in operating liabilities	753,594	(561,268)
Total changes in operating assets and liabilities	679,092	(1,843,164)
Total adjustments	(1,342,821)	(3,074,622)
Cash outflow used in operations	(962,672)	(3,659,729)
Interest received	251,374	425,447
Interest paid	(779,799)	(699,805)
Income taxes paid	(527,967)	(187,774)
Net cash flows used in operating activities	(2,019,064)	(4,121,861)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CHINA PETROCHEMICAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	\$ (192,472)	(267,540)
Proceeds from disposal of financial assets at fair value through profit or loss	333,985	224,202
Acquisition of financial assets at fair value through other comprehensive income	-	(14,820)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	675,200
Acquisition of investments accounted for using equity method	-	(786,452)
Proceeds from disposal of non-current assets classified as held for sale	6,400,161	-
Acquisition of property, plant and equipment	(1,047,919)	(1,858,381)
Proceeds from disposal of property, plant and equipment	15,849	-
Increase in receipts in advance due to disposal of assets	1,688,179	696,141
Acquisition of intangible assets	(1,183)	(4,049)
Decrease (increase) in other financial assets	1,974,477	(162,926)
Decrease in other non-current assets	(4,797)	20,411
Decrease in prepayments for business facilities	-	198,126
Dividends received	320,344	307,209
Net cash flows from (used in) investing activities	9,486,624	(972,879)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(1,371,565)	1,364,027
Increase in short-term bills payable	194,509	825,625
Decrease in short-term bills payable	(871,800)	(48,786)
Repayments of bonds	(1,075,000)	(150,000)
Proceeds from long-term debt	17,389,649	30,390,506
Repayments of long-term debt	(20,935,294)	(29,308,083)
Increase in long-term bills payable	64,990,000	53,690,000
Decrease in long-term bills payable	(65,190,000)	(52,800,000)
Payment of lease liabilities	(54,693)	(60,690)
Decrease in other non-current liabilities	(10,738)	(21,261)
Interest paid	(5,680)	(4,349)
Net cash (used in) flows from financing activities	(6,940,612)	3,876,989
Effect of exchange rate changes on cash and cash equivalents	131,625	(93,102)
Net increase (decrease) in cash and cash equivalents	658,573	(1,310,853)
Cash and cash equivalents at beginning of period	5,513,603	6,824,456
Cash and cash equivalents at end of period	\$ 6,172,176	5,513,603
Components of cash and cash equivalents		
Cash and cash equivalents reported in the statement of financial position	\$ 6,165,897	5,513,603
Reclassification to non-current assets (or disposal groups) held for sale	6,279	-
Cash and cash equivalents at end of period	\$ 6,172,176	5,513,603

See accompanying notes to consolidated financial statements.

China Petrochemical Development Corporation

Earnings Distribution Table for 2024



Currency Unit: NT\$

Item	Amounts
Beginning of undistributed earnings	0
Add (Less):	
Adjustments due to remeasurement of defined benefit plans	16,157,816
The special surplus reserve from the sale of investment properties has been transferred to retained earnings	3,211,781,341
2024 Net profit after tax	247,675,482
Earnings available for distribution	3,475,614,639
Less:	
Legal reserve	(252,021,902)
The net increase in the fair value measurement of investment properties subsequent to the adoption of fair value method is allocated to the special surplus reserve (Note 2)	(2,449,549,243)
The net increase in the fair value measurement of investment properties in the prior period subsequent to the adoption of fair value method is allocated to the special surplus reserve in the current period (Note 3)	(774,043,494)
End of period undistributed earnings	0

Note 1: The Company's 2024 end of period undistributed retained earnings was \$0 and intended not to appropriate dividend.

Note 2: The subsequent measurement of investment properties will be based on the fair value model, with the net increase recorded as a special surplus reserve. Please refer to the "Capital and Other Equity" section in the Notes to the 2024 Stand-alone Financial Statement.

Note 3: Due to insufficient earnings in previous years, the net increase in the fair value model for the subsequent measurement of investment properties was insufficient. The shortfall in the provision will be made up in the current fiscal year.

Chairman:



General Manager:



Accounting Manager:



Comparison between Original and Amendments to the “Articles of Incorporation”

Items	Amended Version	Original Version	Reason
Article 32	If the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees <u>(with 1% designated for distribution among grassroots frontline employees)</u>, and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. The above remuneration to the employees may be allotted in cash or stock, eligible personnel includes employees at subsidiaries that meet the requirement by the Board. The above remuneration to the directors shall be in cash. The earnings in paragraph one means the annual pre-tax earnings before deduction of the remuneration to employees and directors. Distribution of the employees’ and directors’ remuneration shall be resolved at board meetings, with over two-third of directors in attendance and approved by over half of the attending directors, and reported to the shareholder’s meeting.	If the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. The above remuneration to the employees may be allotted in cash or stock, eligible personnel includes employees at subsidiaries that meet the requirement by the Board. The above remuneration to the directors shall be in cash. The earnings in paragraph one means the annual pre-tax earnings before deduction of the remuneration to employees and directors. Distribution of the employees’ and directors’ remuneration shall be resolved at board meetings, with over two-third of directors in attendance and approved by over half of the attending directors, and reported to the shareholder’s meeting.	In accordance with Article 14, Section 6 of the Securities and Exchange Act, the distribution ratio for grassroots employee remuneration is explicitly defined.

Items	Amended Version	Original Version	Reason
Article 35	These Articles were duly enacted on April 24, 1969 and were duly amended on December 20, 1973 as the 1st amendment; May 27, 1976 as the 2nd amendment; June 27, 1978 as the 3rd amendment; April 24, 1979 as the 4th amendment, April 22, 1980 as the 5th amendment; April 28, 1981 as the 6th amendment; May 8, 1982 as the 7th amendment; January 7, 1983 as the 8th amendment; April 1, 1983 as the 9th amendment; February 10, 1984 as the 10th amendment; February 28, 1991 as the 11th amendment; April 28, 1992 as the 12th amendment; April 15, 1993 as the 13rd amendment; July 26, 1994 as the 14th amendment; October 28, 1994 as the 15th amendment; 9 December 28, 1995 as the 16th amendment; June 7, 1997 as the 17th amendment; June 19, 1998 as the 18th amendment; May 24, 2000 as the 19th amendment; June 14, 2001 as the 20th amendment; June 26, 2002 as the 21st amendment; May 12, 2003 as the 22nd amendment; June 21, 2004 as the 23rd amendment; June 10, 2005 as the 24th amendment; June 30, 2006 as the 25th amendment; June 18, 2010 as the 26th amendment; June 24, 2011 as the 27th amendment; and June 27 , 2012 as the 28th	These Articles were duly enacted on April 24, 1969 and were duly amended on December 20, 1973 as the 1st amendment; May 27, 1976 as the 2nd amendment; June 27, 1978 as the 3rd amendment; April 24, 1979 as the 4th amendment, April 22, 1980 as the 5th amendment; April 28, 1981 as the 6th amendment; May 8, 1982 as the 7th amendment; January 7, 1983 as the 8th amendment; April 1, 1983 as the 9th amendment; February 10, 1984 as the 10th amendment; February 28, 1991 as the 11th amendment; April 28, 1992 as the 12th amendment; April 15, 1993 as the 13rd amendment; July 26, 1994 as the 14th amendment; October 28, 1994 as the 15th amendment; 9 December 28, 1995 as the 16th amendment; June 7, 1997 as the 17th amendment; June 19, 1998 as the 18th amendment; May 24, 2000 as the 19th amendment; June 14, 2001 as the 20th amendment; June 26, 2002 as the 21st amendment; May 12, 2003 as the 22nd amendment; June 21, 2004 as the 23rd amendment; June 10, 2005 as the 24th amendment; June 30, 2006 as the 25th amendment; June 18, 2010 as the 26th amendment; June 24, 2011 as the 27th amendment; and June 27 , 2012 as the 28th	The date of the amendment to the company's articles of incorporation is hereby added.

Items	Amended Version	Original Version	Reason
	amendment. The twenty-ninth amendment was made on June 28, 2013. The 30th amendment was made on June 24, 2016. The 31th amendment was made on June 8th, 2017. The 32th amendment was made on May 28th, 2020. The 33th amendment was made on May 27, 2022. <u>The 34th amendment was made on May 15, 2025.</u>	amendment. The twenty-ninth amendment was made on June 28, 2013. The 30th amendment was made on June 24, 2016. The 31th amendment was made on June 8th, 2017. The 32th amendment was made on May 28th, 2020. The 33th amendment was made on May 27, 2022.	

Comparison between Original and Amendments to the “Procedures for the Acquisition or Disposal of Assets”

Items	Amended Version	Original Version	Reason
Article 12	The ceiling on total amounts of real property and securities acquired by the Company and each subsidiary for non-business use, and the investment limits on individual securities are: 1. The total amount of real property and other assets purchased for non-business use shall not exceed 30% of the shareholders' equity of the Company. 2. The total amount of the securities purchased shall not exceed the shareholders' equity of the Company and shall meet the latest requirements promulgated by the respective competent authorities. The limit on investment in the individual securities shall not exceed <u>70%</u> of the shareholders' equity of the Company.	The ceiling on total amounts of real property and securities acquired by the Company and each subsidiary for non-business use, and the investment limits on individual securities are: 1. The total amount of real property and other assets purchased for non-business use shall not exceed 30% of the shareholders' equity of the Company. 2. The total amount of the securities purchased shall not exceed the shareholders' equity of the Company and shall meet the latest requirements promulgated by the respective competent authorities. The limit on investment in the individual securities shall not exceed <u>50%</u> of the shareholders' equity of the Company.	In response to the future business development of the Company and its subsidiaries, which will focus on the dual axes of petrochemicals and land development, it is necessary to increase investments in subsidiaries. Therefore, the limit on investments in individual securities has been adjusted.

Attachment 8**Inventory of Investment Property for Disposal in Jingmao Section,
Subsection 8, Qianzhen District, Kaohsiung City**

No.	Land Lot	Land Area	
		Square Meters	Pings
1	4	13,223.04	3,999.97
2	4-1	28,534.24	8,631.61
3	4-2	11,409.61	3,451.41
4	4-3	4,062.88	1,229.02
5	4-4	5,629.50	1,702.92
6	4-5	13,249.78	4,008.06
7	4-6	13,249.81	4,008.07
8	4-7	13,250.23	4,008.19
9	4-8	11,635.17	3,519.64
10	4-9	5,856.46	1,771.58
Total		120,100.72	36,330.47

China Petrochemical Development Corporation

Articles of Incorporation

Duly amended at the 33th amendment in the annual shareholder meeting convened on May 27, 2022

Chapter One: General Provisions

Article 1 This Company is duly incorporated under the name of “中國石油化學工業開發股份有限公司” in Chinese and “China Petrochemical Development Corporation” in English.

Article 2 The scope of business of this Company shall be as follows:

1. To manufacture petroleum, sodium chloride, phosphoric acid and such chemicals and derivatives thereof.
2. To engage in the import and export, storage, delivery, purchase, and sale of the above-mentioned products, raw materials, chemicals and chemical materials.
3. To engage in the purchase and sale, import and export of the above-mentioned business-related items and/or general items.
4. To provide technological services for the products (by-products), manufacturing process and operation of equipment as enumerated in the aforementioned paragraphs.
5. To engage in research and development for chemicals.
6. To buy, sell, classify categories and distribute goods (clothing, electric appliances, books, stationery, automobile and motorcycle products, household appliances, and recreational facilities).
7. To operate restaurants and hotel businesses.
8. To engage in such business of the design and sale of computer software and registration and processing of computer information.
9. To delegate construction firms to build commercial buildings, to lease and sell public condominiums, to delegate construction firms to build factories for general industrial use, to lease or sell warehouses, to accept the delegation from the government authority in charge of the industries to develop, lease, sell and manage industrial areas.
10. To invest in recreational resorts and golf driving ranges (not to exceed a maximum of five holes).
11. To invest and build parking facilities within urban planning areas.
12. To invest in petroleum (gas) refilling stations to supply and sell gasoline, diesel, and liquefied petroleum gas for special purposes and concurrently invest in basic lubricating maintenance shops for automobiles and motorcycles.
13. To operate new power plant(s).
14. To undertake environmental protection projects (clean-away, disposal of general waste, general industrial waste, hazardous industrial waste and the engineering thereof).

15. To engage in the import and export and sale of feed and feed additives.

16. ZZ99999. In addition to the approved scope of business, the Company may engage in all businesses except those which are otherwise prohibited or restricted by law.

Article 3 The Company shall have its head office in Kaohsiung City and may have its factories duly established in appropriate locations within the territory of the Republic of China, and may set up branches and/or business offices established at various locations inside or outside the territory of the Republic of China whenever the Company deems it necessary for the actual operation of business and the same has been approved by the Board of Directors.

Article 4 If the Company deems it is necessary to carry out its business, the Company may provide endorsements and guarantees and act as a guarantor.

The total amount of the Company's reinvestment may exceed 40% of the total paid-in capital.

Any matters regarding the endorsement and guarantee and reinvestment shall be resolved by the Board of Directors.

Article 5 Public announcements of the Company shall be duly made in accordance with Article 28 of the Company Law and other relevant laws and regulations.

Chapter Two: Shares

Article 6 The total capital amount of the Company is forty-five billion New Taiwan Dollars (NT\$45,000,000,000), which is divided into four billion five hundred million (4,500,000,000) shares with a par value of ten New Taiwan Dollars (NT\$10) each and will be issued in installments by the Board of Directors.

An amount of three hundred million New Taiwan Dollars (NT\$300,000,000) from the above total capital amount divided into thirty million (30,000,000) shares with a par value of ten New Taiwan Dollars (NT\$10) each are reserved for the issuance of employee stock options by installments by the Board of Directors.

In compliance with related regulations to share repurchasing, the Board is authorized to buy back the issued shares per its discretion.

Article 7 The share certificates hereof shall be name-bearing certificates, numbered, and duly signed by or affixed with seals by the Directors representing the Company, and duly authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance. The shares issued by the Company could waive the printing of share certificates but shall be registered at TDCC. The Company's share certificates, or other securities shall be duly issued in accordance with the requirements set forth under of the Company Law and other relevant regulations.

Article 8 The Company shall take charge of stock affairs in accordance with the Company Law, "Regulations Governing Stock Affairs of Public Companies" and relevant laws and regulations.

Article 9 The Company's issuance of new shares by means of increasing share capital shall be implemented in accordance with relevant laws and regulations, and 10%-15% of the total amount of the new shares shall be reserved for subscription by employees. The shares which are not subscribed to by the current shareholders may be open to public issuance or be subscribed by specific persons through negotiation.

Article 10 No registration of transfer of shares shall be made within sixty days (60) prior to an annual shareholder meeting, nor within thirty days (30) prior to a special (extraordinary) shareholder meeting, nor within five (5) days prior to the day on which dividend, bonus or other benefits is scheduled to be paid by the Company.

Chapter Three: Shareholder Meetings

Article 11 The shareholder meeting hereof is divided into the annual shareholder meeting and special shareholder meeting. The former shall be convened annually within six months from the closing of each fiscal year. The latter may be duly convened according to relevant laws whenever the Company deems necessary. When the shareholder's meeting is held, the meeting could be held by video conference or other methods announced by the central competent authority.

Article 12 The notices for shareholder meetings shall set out the discussion items at the meeting and be served to all shareholders through their addresses shown in the shareholder register thirty (30) days in advance of an annual shareholder meeting and fifteen (15) days in advance of a special shareholder meeting. Subject to the consent of the shareholders, the aforementioned notices may be served by electronic methods. Such notices may be duly served to shareholders who hold fewer than one thousand shares each by means of public announcement according to Article 26-2 of the Securities and Exchange Act. With respect to the discussion items at the meeting and if the law or regulation has provided otherwise, the laws shall prevail.

Article 13 Unless otherwise provided for in the Company Law, resolutions shall be adopted by a majority vote at a meeting which is attended by shareholders who represent a majority of the total issued shares.

Article 14 A shareholder of the Company shall have one vote for each common share he or she holds unless otherwise prescribed by law.

Article 15 A shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authorized powers to authorize representative(s) to attend a shareholder meeting on his or her behalf.

The use of the proxy mentioned in the preceding paragraph shall be complied with the Company Law, "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" and relevant laws and regulations.

Article 16 Where a shareholder meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson. During the Chairperson's absence or unavailability for performance of duties for any reasons, the delegation shall be duly handled in accordance with Article 208 of the Company Law.

Where a shareholder meeting is convened by a convener other than the Board of Directors, such meeting shall be chaired by the convener. In case of two or more conveners, one shall be elected or appointed from among themselves to chair the meeting.

Article 17 All resolutions passed at the shareholder meeting shall be recorded in the written minutes, which shall be signed or affixed with seal by the Chairperson and served to all shareholders within twenty (20) days after the meeting. The minutes, the attendance book and the proxies shall be duly archived by the Board of Directors according to the relevant laws.

The minutes of the shareholder meeting mentioned in the preceding paragraph shall be duly produced and archived in accordance with Article 183 of the Company Law.

The minutes of shareholder meeting, financial statements and the decisions regarding allotment of earnings or coverage of loss shall be duly distributed to the shareholders in accordance with Articles 183 and 230 of the Company Law.

Article 18 A shareholder meeting shall be convened at the Company's head office or any other place within the territory of the Republic of China as resolved by the Board of Directors.

Chapter Four: Directors

Article 19 The Company will have a Board of Directors consisting of Seven to Eleven directors. Each director will serve an office term of three years and may be re-elected. Three or more Directors shall be independent.

The Company's Directors shall be elected through cumulative voting. The Company shall adopt candidate nomination system for the election of Directors. Shareholders shall elect Directors from the list of director candidates published by the Company. All procedures shall comply with related regulations of the Company Act and Securities and Exchange Act.

The elections of Independent Directors and non-independent Directors shall proceed as one election, but the number elected shall be calculated separately.

The Board consists of directors. Pursuant to Article 208 of the Company Act, directors shall elect one chairperson and one vice chairperson. The total number of shares held by the entire board shall exceed the minimum requirements specified in the relevant Securities and Exchange Act. The Company may purchase liability insurance for Directors to protect them against potential liabilities arising from exercising their duties during their tenure. For all matters related to the purchase of the insurance, the Board of Directors is authorized with full powers to act as required.

Article 20 The duties of the Board of Directors are as follows:

1. Resolve the Company's business policies.
2. Enact and amend rules regarding the Company's organization and incorporate and dissolve the Company's branch(es).
3. Review the rules of endorsement, guarantee and other major regulations and agreements.
4. Resolve decisions regarding investment and reinvestment.
5. Appoint and discharge managers.
6. Review budgets and prepare financial statements.
7. In the shareholder meeting, propose amendments to the Articles of Incorporation, change in capital, dissolution, merger, acquisition and division of the Company.
8. In the shareholder meeting, propose allotment of earnings and coverage of loss.
9. Enforce the decisions resolved in the shareholder meeting.

10. Resolve other major decisions and exercise other duties and obligations as granted by relevant laws and regulations and by the shareholder meeting.

Article 21 The Board of Directors meeting shall be convened once every three months at minimum. The notices of a Board of Directors meeting shall expressly indicate the subject(s) of the meeting and be served to all Directors seven days prior to the date scheduled for the meeting. In case of an emergency, a Board of Directors meeting may be convened at any time. Unless otherwise prescribed by law, a Board of Directors meeting shall be duly convened and chaired by the Chairperson. Upon the Chairperson's leave, absence or unavailability for performance of duties, the delegation shall be duly handled at the meeting in accordance with Article 208 of the Company Act.

The first Board of Directors meeting of every session shall be convened by the Director who wins the most ballots representing the voting rights during the election.

The notices to the Board of Directors meeting mentioned in the preceding paragraph may be served in writing or by means of facsimile or e-mail.

Article 22 Unless otherwise provided for in the Company Act, decisions at the Board of Directors meeting shall be resolved by a majority vote in the meeting which is attended by Directors who represent a majority of the total number of Directors.

Article 23 A director may duly authorize another director by written proxy to attend a Board of Directors meeting and to exercise the vote for all the matters discussed in that meeting, provided that the authorized Director may only accept one representation.

Article 24 The Chairperson shall exercise its duties in accordance with relevant laws and regulations, the Company's Articles of Incorporation, the decisions resolved at the shareholder meeting and Board of Directors meeting. The Chairperson is the representative of the Company.

Article 25 In the event that an Independent Director is terminated from his position with or without cause, the Board of Directors shall fill the vacant board seat during the next shareholders' meeting.

In the event that over one third of the Directors or all Independent Directors are vacant from their positions, the Board of Directors shall call for a special shareholder's meeting to fill the vacant board seats within sixty days from the inception of the vacancy.

The term for the elected Directors due to any of the above-mentioned scenarios shall be the remaining terms of the vacancy.

Article 26 The duties of the audit committee are:

1. Supervise the business operations of the Company.
2. Investigate the Company's business operations and financial status.
3. Audit the books and documents of the Company.
4. Audit books and documents prepared by the Board of Directors and submitted at the shareholder meeting, and report to the Shareholder Meeting.
5. Exercise other duties and obligations as granted by laws and regulations and by the Shareholder Meeting.

Article 27 (Delete)

Article 28 The salary and remuneration of Directors shall be duly proposed by the Company's Remuneration Committee and submitted to the Board of Directors for final approval based on the extent of their participation in the business operations and the level of their contribution to the Company with reference to the international or domestic industrial standards.

The organizational rules and regulations for implementing the duties of the Remuneration Committee mentioned in the preceding paragraph shall be duly enacted by the Board of Directors in accordance with Article 14-6 of the Securities and Exchange Act, other relevant laws and regulations and requirements of the competent authority.

Article 28-1 In view of the business confidentiality pertaining to general operations, production technologies, or formulation of raw materials which are vulnerable to be illegally replicated by our downstream customers and their affiliates into manufacturing processes resulting in unintended pricing or unfair market competition or the possibility that downstream customers might ally to control the supply of our products to the market, thus leading to involuntary price increases and hence causing financial loss, the Company shall enhance the regulations pertaining to the Directors represented by downstream customers or related parties to carry out their fiduciary duties in directorship and business confidentiality and internal control process to oversee related transactions, in order to protect the best interest of our shareholders.

Major shareholder with over 1% of total shares outstanding, Directors (including legal representatives), managers, and employees should adhere to the Standards of Ethical Conduct and the Management Integrity Code.

Chapter Five: Managers and Other Employees

Article 29 Unless otherwise prescribed by law, the Company shall have one Chief Executive Officer (CEO), one General Manager, a certain number of Vice General Manager, and, in order to meet the Company's operation or management requirement, a certain number of other Managers, who shall be duly appointed, discharged and compensated in accordance with Article 29 of the Company Law, Article 14-6 of the Securities and Exchange Act and other relevant laws and regulations.

Unless otherwise prescribed by law, the Board of Directors is authorized with full power to resolve various duties mentioned in the preceding paragraph, and the Board of Directors may authorize the Chairperson with full power to make the decision.

Other employees shall be duly hired by the Chairperson and General Manager in accordance with relevant laws and regulations and the rules of the Company.

Article 30 If it is necessary for business operation, the Company may retain a certain number of consultants. The matters related to the engagement, discharge and compensation shall be resolved by Board of Directors. The above resolution shall be adopted by a majority vote at the Board of Directors meeting which is attended by Directors who represent a majority of the total number of director seats.

Chapter Six: Accounting

Article 31 Upon closing of each fiscal year, the Board of Directors shall prepare the following documents and shall forward the same to the Audit Committee for auditing no later than the thirty (30) days prior to the meeting date of the annual shareholder meeting:

1. Business report;
2. Financial statements;
3. Proposals of profit allotment or loss coverage.

Article 32 If the Company has earnings, it shall set aside 3% of the balance as remuneration to the employees and no greater than 2% of the balance as remuneration to directors. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

The above remuneration to the employees may be allotted in cash or stock, eligible personnel includes employees at subsidiaries that meet the requirement by the Board. The above remuneration to the directors shall be in cash.

The earnings in paragraph one means the annual pre-tax earnings before deduction of the remuneration to employees and directors.

Distribution of the employees' and directors' remuneration shall be resolved at board meetings, with over two-third of directors in attendance and approved by over half of the attending directors, and reported to the shareholder's meeting.

Article 32-1 The Company may duly use its reserve to distribute dividends, appropriate capital, and issue new shares in accordance with relevant laws and regulations.

If the Company has earnings, after payment of taxation, it shall offset the losses in previous years, and set aside a legal capital reserve and special capital in accordance with relevant laws and regulations or requested by the authorities in charge. With respect to any balance herein together with the undistributed cumulative profits from previous years and from current year, the Board of Directors shall prepare an earnings distribution proposal and submit to the shareholder meeting for approval according to the following dividend policy.

The Company is in a highly capital-intensive industry, subject to volatility and high levels of competition. Where the Company is subject to the influence of the global economy and changes in industrial performance, the Company should take into account the Company's business operations, capital needs and status of the competitive environment, interests of shareholders and the Company's own financial planning in the allotment of its profits. Under such circumstances, the Company may set aside profits into a special reserve either in whole or in part to assure financial stability and sustainability. The Company may allot dividends in cash or stock. In the case that the allotment is made by way of stock dividend, the ratio for the stock dividend shall not exceed 50% of the total distribution unless the ratio of the Company's total liabilities to total assets is equivalent or above 50% or otherwise prescribed in relevant laws and regulations.

In the 2nd item, a legal capital reserve and special capital shall set aside in accordance with relevant laws and regulations or requested by the authorities in charge, including other net equities after the subtraction of the cumulative profits from previous years and net increased amount from the adoption of fair value method to value the real estate investments, special reserve shall be set aside from the unappropriated earnings from the previous years. If any insufficient, it shall be set aside from the current fiscal year hereof.

The current earnings mentioned in item 2 and 4, includes the net profit after the taxation of the current year with the other items calculated as the unappropriated earnings.

Chapter Seven: Bylaws

Article 33 The Company's Organization Rules shall be separately enacted by the Board of Directors.

Article 34 Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Law and relevant laws and regulations.

Article 35 These Articles were duly enacted on April 24, 1969 and were duly amended on December 20, 1973 as the 1st amendment; May 27, 1976 as the 2nd amendment; June 27, 1978 as the 3rd amendment; April 24, 1979 as the 4th amendment, April 22, 1980 as the 5th amendment; April 28, 1981 as the 6th amendment; May 8, 1982 as the 7th amendment; January 7, 1983 as the 8th amendment; April 1, 1983 as the 9th amendment; February 10, 1984 as the 10th amendment; February 28, 1991 as the 11th amendment; April 28, 1992 as the 12th amendment; April 15, 1993 as the 13rd amendment; July 26, 1994 as the 14th amendment; October 28, 1994 as the 15th amendment; December 28, 1995 as the 16th amendment; June 7, 1997 as the 17th amendment; June 19, 1998 as the 18th amendment; May 24, 2000 as the 19th amendment; June 14, 2001 as the 20th amendment; June 26, 2002 as the 21st amendment; May 12, 2003 as the 22nd amendment; June 21, 2004 as the 23rd amendment; June 10, 2005 as the 24th amendment; June 30, 2006 as the 25th amendment; June 18, 2010 as the 26th amendment; June 24, 2011 as the 27th amendment; and June 27, 2012 as the 28th amendment. The twenty-ninth amendment was made on June 28, 2013. The 30th amendment was made on June 24, 2016. The 31st amendment was made on June 8th, 2017. The 32th amendment was made on May 28th, 2020. The 33th amendment was made on May 27, 2022.

China Petrochemical Development Corporation

Procedures for the Acquisition or Disposal of Assets

Amended and resolved at the annual shareholder meeting convened on May 30, 2024.

- Article 1 These Operational Procedures (Procedures) are formulated in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission (the Regulations).
In the case that this Procedure is incomplete, all procedures shall be in accordance with related Articles of Securities and Exchange Act.
- Article 2 The term “assets” as used in these Procedures is applicable within the scope enumerated below:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc.
 2. Real estate (including land, building and structures, real estate held for investment purposes, land usage right, inventories of construction enterprises) and equipment.
 3. Memberships.
 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 5. Right –of –use assets
 6. Claims of financial institutions (including receivables, foreign exchange rebate, loans, and overdue receivables).
 7. Derivatives.
 8. Assets acquired or disposed of in connection with mergers, spin-off, acquisitions, or share transfer in accordance with law.
 9. Other major assets.
- Article 3 Term definitions used for these Procedures are as follow:
1. The term “Derivative Products” means forward contracts, options, futures, leverage contracts, or swaps, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests, and the hybrid contracts consisted by the above products. The term “Forward Contracts” does not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts or long-term purchase or sale agreements.
 2. The term “Assets Acquired or Disposed by Mergers, Spin-off, Acquisition or Shares Transference Pursuant to Laws” means assets acquired or disposed of by mergers, spin-off, acquisition or share transfer, pursuant to Business Mergers and Acquisitions Act, Financial Holding Companies Act, Financial Institutions Merger Act or other acts; or share transfer from other companies by issuing new shares of its own as the consideration therefor (hereinafter “transfer of shares”) pursuant to the Article 156-3 of the Company Act.

3. The term “related party” and “subsidiaries” as used in these Procedures mean those parties defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. The term “professional appraisal” as used in these procedures, means a certified appraiser or a company in the business of appraising real property or equipment.
5. The term “date of occurrence” refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. The term “investments in China” means investments made in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area by the Investment Commission of the Ministry of Economic Affairs, R.O.C.
7. The term “competent authorities” means the government entities in charge of the Securities and Exchange Act.

Article 4 Authority for approval, appraisal, procedures, transaction terms, and decision making processes of evaluation and management for the acquisition or disposal of assets:

1. The acquisition or disposal of real estate and other fixed assets:
 - 1) Authority for approval, evaluation and management shall be in accordance with CPDC’s internal regulations “The Chart of Responsibilities of the Board of Directors and Managers,” “The Level of Authority for Managers Junior to the President,” “Rules Governing Fixed Assets Management” and Article 7 of this procedure.
 - 2) Procedures to determine transaction terms shall be determined by reference to market value, publicly announced current value, recent market transaction price of neighboring or closely valued property or the report issued by a certified appraiser. Final prices shall be carried out by one of the following: price inquiry, price comparison, price negotiation or open tender.
 - 3) The implementation unit shall be the department in charge of real property, equipment or assets in use.
2. Acquisition or disposal of securities, intangible assets, assets in use or membership:
 - 1) Authority of approval, evaluation and management shall be in accordance with CPDC’s internal regulation “The Chart of Responsibilities of the Board of Directors and Managers”, “The Level of Authority for Managers Junior to the President” and Article 8 of this procedure.
 - 2) Procedures to Determine Transaction Terms:
 - a. For the acquisition or disposal of securities purchased and sold on a centralized exchange market or OTC exchange, the transaction price shall be decided by the equity, securities or market price at the time.

- b. For securities not acquired or disposed of on a centralized exchange market or OTC exchange, the price shall be determined by reference to net value per share, profitability, growth potential, professional advisory reports, prevailing interest rate, bond yield or price, creditability of debt issuers and transaction price at the time.
- c. For the acquisition or disposal of membership certificates, assets in use or intangible assets, the evaluation shall make reference to the fair market value, future earning, growth potential, or professional opinions.

3) Implementation unit:

- a. The evaluation of acquisition or disposal of securities described in the first subparagraph of Article 2, paragraph 1 of this Procedure shall be conducted by the finance department or re-investment department and shall be executed by such upon obtaining appropriate approval in accordance with the Procedure.
- b. The evaluation of acquisition or disposal of non-securities assets, membership certificates, or intangible assets shall be conducted by the related departments and shall be executed by such departments upon obtaining appropriate approval in accordance with the Procedure.

3. Acquisition or disposal of claims of financial institutions: In general, the Company does not invest in claims of financial institutions. In the event that the Company intends to engage in transaction with acquisition or disposal of financial institution claims, the Company shall report and obtain approval from the Board of Directors and formulation of the appropriate procedure shall follow.

Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- 2. May not be a related party or de facto related party of any party to the transaction.
- 3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Unless otherwise provided for by other laws, the Company engaging in the acquisition or disposal of assets shall retain the relevant contracts, meeting minutes, registry, appraisal report, and the opinion books by CPA, attorneys, and security underwriters at the Company for at least 5 years.

Court documents can be substituted for reports or opinions issued by a CPA or certified appraiser if the assets are acquired or disposed through court auction.

In the case of the Company's acquisition or disposal of assets has to be approved by the Board according to this procedure or the prescription of other laws, if a director shows dissent and the dissent is recorded or presented in a written statement, the dissent of the director should be submitted to the audit committee.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution by the audit committee shall be recorded in the minutes of the Board of Directors meeting.

The calculation of the transaction amounts referred to in article 7 and article 8 shall be done in accordance with Article 6, paragraph 2 of these Procedures, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 6 For acquisition or disposal of assets, provided that one of the following conditions exists, the Company shall publicly announce and file the relevant data and information to the Financial Supervisory Commission's designated Market Observation Post System, or MOPS in the appropriate format as prescribed by regulations within two days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.
2. Merger, spin-off, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures adopted by the Company.
4. For acquisition or disposal of business-use equipment or assets, and the trading counterparty are not related party, the condition is when transaction amount is the same as or more than NT\$1 billion.
5. The real property for construction use acquired or disposed by construction business, where the trading counterparty is not a related party and the transaction amount is more than NT\$500 million.
6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is more than NT\$500 million.
7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
 - 1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - 2) Trading of bonds under repurchase/resale agreements or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.

The transaction amounts in the preceding paragraphs shall be calculated in accordance with the methods provided below:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries of companies that are not domestic public companies and file the information in the prescribed format into the Financial Supervisory Commission’s designated MOPS by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced within 2 days and reported in their entirety.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the MOPS designed by the Financial Supervisory Commission within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, spin-off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 7 In acquiring or disposing of real estate or equipment by the Company, unless otherwise transacting with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing equipment for business use, where the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million, the Company shall obtain an appraisal report issued by a professional appraisal and further comply with the following provisions prior to the date of occurrence of event:

1. Due to special circumstances, where a limited price, specified price or special price is deemed as the basis of reference for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
2. Where the transaction amount is more than NT\$ 1 billion, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- 1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
- 2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.

Article 8 In acquiring or disposing of securities, prior to the date of occurrence of the event, the Company shall obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in evaluating the transaction price. In addition, if the transaction amount is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices in an active market or in compliance with regulations set by the Financial Supervisory Commission.

In acquiring or disposing of membership certificates or intangible assets with a transaction amount of 20 percent of the Company's paid-in capital or NT\$300 million or more, except in cases where the counterparty of the transaction is the government agency, the Company shall engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price prior to the date of occurrence of the event.

Article 9 When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except for trading government bonds, RP and RS bonds, and the purchase or redemption of domestic money market funds issued by securities investment trust enterprises, in addition to following the provisions in Article 7 and 8 of this Procedures, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted and approved by the Audit Committee and obtained resolutions by the Board of Directors. When a proposal is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

1. The purposes, necessity, and anticipated benefits of the acquisition or disposition of the assets;
2. The reasons for selecting the related persons as the transaction counterparty;
3. Relevant information for evaluating the reasonableness of the terms of the anticipated transaction pursuant to the provisions of Items 4 and 6 of this Article and Article 10-1;
4. Information such as the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party;
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the uses of fund;
6. Transactions value of 10 percent of the Company's total assets or more, accountant's opinions, or appraisal reports in compliance with the provisions of Article 7 or 8 of these Procedure;
7. Restrictive covenants and other important stipulations associated with the transaction.

If the transaction amount in the preceding article reaches 10 percent or more of the company's total assets, the company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its subsidiaries or between its subsidiaries.

The calculation of the transactions referred to in paragraph 1 with amounts reach 20 percent of the Company's paid-in capital, 10 percent of total assets or NT\$300 million or more and the preceding paragraph shall follow the provisions in the 2nd paragraph of Article 6 of these Procedures. "Within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which have been submitted and approved by the Audit Committee and passed resolutions by the Board of Directors and the shareholders meeting in accordance with these Procedures need not be counted toward the transaction amount.

Matters for which paragraph 1 requires approval by the Audit Committee shall first be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of more than half of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

In acquiring or disposing of assets, the Company shall determine if the counterparty of the transaction is a related party, and in judging the relationship, in addition to legal formalities, the substance of the relationship shall also be considered. In acquiring real property from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means, and shall also engage a CPA to check the appraisal and render a specific opinion.

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with provisions prescribed in the 1st paragraph of this Article, and paragraph 4 of this Article does not apply:

1. The related party acquired real property by inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or contracting with a related party in the construction of real estate such as contracted construction with its own land or contracted construction on leased land.
4. To acquire assets for business operations between the Company, its subsidiaries or related parties with direct or indirect ownerships.

With respect to the acquisition or disposal of business-use equipment between the Company and its subsidiaries, the Board of Directors may delegate the chairman to make decision prior the board' approval. The decisions shall subsequently be submitted to and ratified by the next Board of Directors meeting.

1. With respect to the acquisition or disposal of business-use equipment or asset.
2. With respect to the acquisition or disposal of business-use property.

The above stated transaction amount limit is as the followings:

1. Each transaction amount is more than NT\$ 30 million and less than NT\$100 million while the transaction amount less than NT\$30 million will be approved based on "The Chart of Authority and Responsibilities of the Board of Directors and Managers" and "The Level of Authority for Managers Junior to the President."
2. The accumulated amount of more than one transaction for the same disposal or acquired item within one year since the occurrence reaches NT\$100 million or over but less than NT\$ 300 million shall gain the prior approval by the Audit Committee and submit to the Board for ratification not subject to recalculations.

Article 10 Where the Company acquires real property from a related party, in the event that the results of the appraisal conducted in accordance with Paragraph 4 of the preceding Article are uniformly lower than the transaction price, the Company shall carry out the acquisition in accordance with Paragraph 3 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, proof of compliance may be submitted with one of the following conditions:
 - 1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The term "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2) The completed transactions of other floors of the same property or adjacent area by unrelated parties within the preceding year, where the terms of the transactions make reference to the reasonable price discrepancies of different floors or comparable land area.
2. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

The aforementioned item "completed transactions for adjacent area" in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close to the latest official land price promulgated by the government. The term "the area of the property thereof is similar" in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. The term "within the preceding year" refers to the year retrospectively preceding the date of occurrence of the acquisition of the real property.

Where the Company acquires real property from a related party, in the event that the results of the appraisal conducted in accordance with Paragraph 4 and Paragraph 6 of Article 9 and Paragraph 1 of this Article are lower than the transaction price in all cases, the Company shall take the following steps:

1. A special reserve shall be set aside according to Paragraph 1, Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised value, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve required by law shall be set aside pro rata to the shareholding in accordance with Article 41-1 of the Securities and Exchange Act.
2. Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the two preceding subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, the Company shall not utilize the special reserve until it has recognized a loss or decline in market value of the assets it purchased at a premium, or they have been disposed of, or

adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

Where the Company obtains real property from a related party, it shall also comply with Paragraphs 3 and 4 of this Article if there is other evidence indicating that the acquisition was not an arm's-length transaction.

Article 11 For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of the Company's subsidiaries whose shares have no par value or the par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these procedures, 10 percent of equity attributable to owners of the parent shall be substituted. Disregard to the paid-in-capital requirement, when the transaction amount reaches NT\$10 billion, the calculation method applies to equity attributable to owners of the parent requirement of NT\$20 billion.

The Company shall announce and report on behalf of overseas subsidiary' matters in line with the provisions on acquisitions and disposals of assets. The disclosure requirement shall refer to the Company's paid-in-capital or total assets defined in Paragraphs 1 and 2 of this Article.

The Company shall supervise its subsidiaries to adopt and implement the procedures for the acquisition or disposal of assets (subsidiary procedures) in compliance with the regulations. The Company shall ensure that its subsidiaries conduct annual internal audit on the subsidiary procedures in compliance with the regulations set forth by the competent authorities, while the assets acquisitions and disposal activities and implementation shall comply with the related procedure. The Company shall also ensure subsidiaries to produce written audit report and submit to the Company's Internal Audit for inspection and audit.

Transactions between the Company, its subsidiaries and related companies with direct and indirect ownership shall proceed according to the subsidiaries' board approvals as the followings:

1. The acquisition or disposal of business-use assets or other assets in use
2. The acquisition or disposal of business-use real estate

Article 12 The ceiling on total amounts of real property and securities acquired by the Company and each subsidiary for non-business use, and the investment limits on individual securities are:

1. The total amount of real property and other assets purchased for non-business use shall not exceed 30% of the shareholders' equity of the Company.
2. The total amount of the securities purchased shall not exceed the shareholders' equity of the Company and shall meet the latest requirements promulgated by the respective competent authorities. The limit on investment in the individual securities shall not exceed 50% of the shareholders' equity of the Company.

Article 13 The Company shall comply with the following trading principles and guidelines when engaging in derivatives trading:

1. Types of derivatives products:

- 1) The Company may engage in trading in derivatives products including forward contracts, options, futures, leverage contracts, or swaps, while they can be embedded derivatives, structured derivatives or the hybrid contracts consisted by the above products etc..
- 2) “Forward Contracts” referred to in the preceding subparagraph A does not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts or long-term purchase or sale agreements.

2. Operating (hedging) strategies:

Trading in derivatives products by The Company must be associated with risk exposures on revenues and expenditures, assets, liabilities or shareholders’ equity arising from the Company’s business operation.

3. Segregation of duties:

- 1) The Company shall not engage in derivatives trading unless approved by the Board of Directors or the competent superintendents in accordance with the “The Chart of Authority and Responsibilities of the Board of Directors and Managers” and “The Level of Authority for Managers Junior to the President.”
- 2) Where the Company engages in trading derivatives products, the personnel in charge of transaction, confirmation and settlement shall be appointed by the chairman or the president. Moreover, where the Finance Department engages in trading derivatives products, the personnel in charge of transaction, confirmation and settlement shall be assigned by the Vice President of Finance.
- 3) Where the derivatives trading is associated with the Company’s products, raw materials or commodities, transactions shall be carried out by the Sales Department, Procurement or other assigned department(s) and supported by the Finance Department. Trading in relation to interest rates or exchange rates, shall be carried out by the Finance Department.

4. Disclosure - Public announcement and regulatory filing:

The disclosure provisions are adopted in accordance with provisions prescribed in Chapter III - Public Disclosure of Information of the Regulations:

- 1) In the event where losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures, the Company shall file a public report of relevant information on the MOPS within 2 days commencing immediately from the date of occurrence of the event.
- 2) The Company shall compile monthly reports on the balance of derivatives trading engaged in up to the end of the preceding month and file the information in the prescribed format into the MOPS by the 10th day of each month.

5. Essentials of performance evaluation:

The accounting unit of the Finance Department shall on a monthly basis prepare and submit positions statements of derivatives trading to the senior superintendents authorized by the Board, the President and the Chairman for review, and shall submit these statements and report to the Board of Directors.

- 1) Hedging transactions: The basis for performance evaluation depends on the profit/loss resulted from the difference of acquisition costs of the hedged item and the derivative trading.
 - 2) Specific-purpose transactions: Evaluation shall be based on the actual profit/loss of the transaction.
6. Total contract amount and limit on maximum loss:
- 1) Hedging operation:

The total amount of hedging contracts shall not exceed the anticipated net portion of the account receivables yielded from business operation or the net position after asset and liabilities offsetting for the next six months.

The maximum contract loss shall not exceed 15% of the contract amount, applicable to individual contracts and all contract.
 - 2) Specific-purpose operation:

The total amount of transactions of specified purposes shall not exceed the total amount of the items of transaction for the specified purposes.

This type of transaction is a hedging for a specific purpose, with a clear corresponding hedging position, and the upper limit of the contract loss shall not exceed 15% of the contract amount, which is applicable to individual contracts and all contracts.
 - 3) Trading-purpose operation:

The Company does not engage in trading-purpose operation.

Article 14 The Company shall adopt the following risk management measures while engaging in derivatives trading:

1. The scope of risk management includes:
 - 1) Credit risk management: In principle, the counterparties for transactions shall be domestic financial institutions with sound credit standing or internationally renowned financial institutions whom are capable of providing professional information.
 - 2) Market price risk management: In principle, the chosen market shall be where the price quotation information is publicly and adequately available. The Company shall monitor and verify changes in market conditions and the positions from time to time.
 - 3) Liquidity risk management: The products chosen for transactions shall primarily be the prevailing derivatives products in the international community, with high liquidity, large transaction volume and are readily available for trade.
 - 4) Cash flow risk management: The Company shall assess its cash flow on a regular basis to maintain adequate liquid capital and credit capacity for financing to meet the settlement requirement and to ensure the stability of its working capital.
 - 5) Operation risk management: The authorized amount set by the Company and the operational procedures shall be in compliance with these Procedures, and shall be included as part of the internal audit. Each operation step shall be authorized and supervised by superior superintendents.

- 6) Legal risk management: The documents to be signed by the Company with the transaction counterparts shall not be officially executed unless reviewed by the legal counsel and/or personnel with expertise from the departments with relevant business, and the head(s) of the responsible department(s).
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. The counterparties to the transactions shall be given notice on the assignment or discharge of personnel in charge of transaction and confirmation before the effective date so as to preserve the Company's interests.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management who are not responsible for decision-making in the transaction or positions.
4. Departments in charge of the transactions of derivatives products shall cooperate with the Finance Department to evaluate the transactions. Derivatives trading positions held by the Company shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

Article 15 The supervision and management over transactions of derivatives products by the Company, and the internal audit system:

1. Where the Company engages in derivatives trading, the Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - 1) Whether the authorized and designate senior management personnel and the president have been constantly attending the monitoring and control of derivatives trading risk.
 - 2) Whether the authorized and designated senior management and the president periodically evaluate if derivatives trading performance is consistent with established operating strategy and if the risk undertaken is within the company's permitted acceptable level.
2. Senior management personnel authorized for derivatives trading by the Board of Directors and the president shall manage the activities in accordance with the following principles:
 - 1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the Regulations and these Procedures for engaging in derivatives trading formulated by the Company.
 - 2) They shall supervise the transactions and profit/loss status and shall adopt the necessary countermeasures and report to the Board of Directors immediately whenever abnormalities are found.
3. Where the Company engages in derivatives trading, the Accounting Unit of the Finance Department shall establish a log book in which record the matters as required under the relevant laws and regulations. Such log books shall be archived and retained for the duration as required by law.

4. The internal auditors of the Company shall periodically look into the appropriateness of the internal control over derivatives products and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to these Procedures, and prepare an audit report. Where a material violation is found, the Audit Committee shall be informed in writing.

Article 16 In the event that a subsidiary of the Company intends to engage in derivatives trading to accommodate business need:

1. Such subsidiary shall, in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by the competent authority in charge of securities affairs, adopt its Procedures for derivatives trading and shall not engage in these activities until such procedures pass the resolution by its Board of Directors and shareholder meeting.
2. Such subsidiary shall conduct at least annual internal audit on its derivatives activities and the implementation in compliance with its Procedures, and to produce written audit reports and submit to the Company’s Internal Audit for inspection and audit.
3. Where the subsidiary of the Company is not a domestic public company:
 - 1) In the event where losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in its Procedures, the subsidiary shall report the information to the Investment Department of the Company for compilation on the date of occurrence of the event. The Company shall make public announcement and file relevant information on behalf of the subsidiary within 2 days commencing immediately from the date of occurrence of the event.
 - 2) The subsidiary shall report the balance of derivatives trading in the preceding month to the Investment Department of the Company for compilation by the 5th day of each month. The Company shall announce and file the balance of derivatives trading in the preceding month of itself and its subsidiaries by the 10th day of each month.

Article 17 Where the Company conducts a merger, spin-off, acquisition, or transfer of shares, the department in charge shall, prior to convening the Board of Directors to resolve on the matter, engage a Certified Public Accountant, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other assets to shareholders, and submit it to the Board of Directors for discussion and resolution. However, merging the subsidiaries which direct and indirect holds 100% issued shares or amount of capital, or the merging between the subsidiaries which direct and indirect holds 100% issued shares or amount of capital, do not need to render an opinion on the reasonableness by professions.

Article 18 The Company participating in a merger, spin-off or acquisition shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders meeting invitation for reference in deciding whether to approve the merger, spin-off, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies, participating in a merger, spin-off, or acquisition, fails to convene or pass a resolution due to inadequate quorum, insufficient votes, or other legal restriction, or the proposal is vetoed by the shareholders meeting, the companies participating in the merger, spin-off or acquisition shall immediately make public statement on the reasons, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 19 Unless otherwise prescribed by law or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants consent, the Company participating in the merger, spin-off or acquisition shall convene the Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, spin-off or acquisition.

Unless otherwise prescribed by law or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants consent, the Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction.

When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic information of the personnel: Including the titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning of any merger, spin-off, acquisition, or transfer of another company's shares or the implementation of the plan prior to disclosure of such information.
2. Dates of material events: Including the dates of signing any letter of intent or memorandum of understanding, retaining a financial advisor or legal counsel, execution of a contract, and the convening of a Board of Directors meeting.
3. Material documents and minutes: Including documents for merger, spin-off, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, spin-off, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission for recordation.

Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is neither listed on an exchange nor traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the requirements as set forth under paragraphs 3 and 4 of this Article.

Article 20 Each and every person participating in or possessing knowledge of the plan for merger, spin-off, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to the public disclosure

of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spin-off, acquisition, or transfer of shares.

Article 21 A Public Company that participates in a merger, spin-off, acquisition, or transfer of shares shall not arbitrarily alter the share exchange ratio or acquisition price unless under any of the circumstances enumerated below, and shall stipulate the circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares:

1. Capital increase (re-capitalization) in cash, issuance of convertible corporate bonds, or issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity based securities.
2. An action such as a disposal of major assets that would affect the Company's financial operations.
3. Occurrence of an event such as a major disaster or major change in technology that would affect shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, spin-off, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and the altered terms/conditions have been publicly disclosed.

Article 22 A contract for participation by a public company in a merger, spin-off, acquisition, or shares transfer shall expressly record the rights and obligations of the companies participating in the merger, spin-off, acquisition, or transfer of shares, and also record the matters enumerated below:

1. Handling of breach of contract.
2. Principles for handling equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is spin-off.
3. The amount of treasury stock that the participating companies are permitted under law to buy back after the record (base) date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner to deal with a change in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date of the execution.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 23 After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends to further carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed

toward the merger, spin-off, acquisition, or share transfer; except where the number of participating companies is decreased and a participating company's shareholders meeting has resolved a decision authorizing the Board of Directors to alter the limits of authority. Such a participating company may be exempted from calling another shareholders meeting to resolve the matter anew.

Article 24 Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with that non-public company whereby the latter is obliged to comply with the provisions of set forth under Article 19, Article 20 and Article 23.

Article 25 A person-in-charge of the subject matters under these Procedures who violates these Procedures is subject to disciplinary review and action in accordance to the Company's disciplinary guideline.

Article 26 These Procedures and any amendment hereto shall be submitted for approval by more than half of the Audit Committee and submitted to the Board of Directors for approval, then submitted to the Shareholders' Meeting for ratification. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee.

The discussion by the Board of Directors pursuant to the preceding paragraph, each independent director's opinions shall be taken into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

If approval of more than half of all Audit Committee members as required in paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

China Petrochemical Development Corporation

Rules Governing the Proceedings of Shareholder Meetings

Amended and resolved at the annual shareholder meeting convened on May 27, 2022.

Article 1 These Rules are duly enacted in accordance with Article 182~1 of the Company Law. Unless otherwise prescribed by relevant laws and ordinances or the Company's Articles of Incorporation, the Company shall duly convene the shareholders' meeting exactly in accordance with these Rules.

Article 2 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The method of holding the shareholders' meeting of the Company is based on physical meeting in principle. Any change in method of holding the shareholders' meeting shall be approved by the board of directors, and it shall be made no later than before the notice of the shareholders' meeting is dispatched.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors 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. The Company 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. However, if the Company's paid-in capital at the end of the fiscal year is NT\$10 billion or more or if the foreign and mainland China capital ratio is over 30%, the electronic file should be sent 30 days before the ordinary shareholders' meeting. In addition, before 15 days before the date of the shareholders meeting, the Company 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 the Company's Stock Affairs Office.

The Company shall provide a Shareholder Handbook and meeting supplementary materials mentioned in the preceding paragraph on the day of the shareholders' meeting in the following ways:

1. When a physical shareholders meeting is held, it shall be distributed on the spot of the shareholders meeting.
2. When a video-assisted shareholders' meeting is held, it shall be distributed on the spot of the shareholders meeting and sent the electronic version to the video-conferencing platform.
3. When a video conference of shareholders meeting is held, the electronic file shall be sent to the video-conferencing platform.

The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

A shareholder holding 1 percent or more of the total number of issued shares may submit a proposal to the Company for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, 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.

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

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

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notices 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.

The term “shareholders” as set forth in these Rules denotes shareholders themselves and the proxies entrusted by shareholders.

For each event of a shareholder meeting, a shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authorized powers to attend a shareholder meeting on his or her behalf. The use of the proxy shall be complied with the relevant laws and regulations.

A shareholder shall appoint a proxy, and only one person shall be entrusted, it shall be delivered to the company 5 days before the shareholders’ meeting and if it is duplicates, the one delivered first shall be counted. However, for those who declare to revoke the previous consignors are not included.

After the proxy is delivered to the company, shareholders who wish to attend the shareholders’ meeting in person or to exercise their voting rights either in person or through electronic method, shall notify the company in a written form for the cancellation of the entrustment 2 days before the shareholders’ meeting. In case of overdue revocation, the entrusted agent who attend and exercise the voting rights should be based on.

After the proxy is delivered to the company, shareholders who wish to attend the shareholders’ meeting by video shall notify the company in written form for the proxy cancellation 2 days before the shareholders’ meeting. In case of overdue revocation, the entrusted agent who attend and exercise the voting rights should be based on.

Article 3 The shareholders' meeting notice shall include the shareholders, solicitors, and entrusted agents, check-in time, report-in location, and other considerations to be sent to shareholders together with the attendance card.

Registration shall be open at least 60 minutes prior to the start of the shareholders' meeting with the registration location clearly marked and adequate qualified personnel available for processing. For the video conference, registration should be accepted on the shareholders' meeting platform 60 minutes before the start of the meeting. Shareholders who have completed the registration shall be counted as who have attended the shareholders' meeting in person. Attending shareholders shall present attendance cards with represented shares clearly marked.

Shareholders should be issued an official attendance card by the Company, and present original ID documents to attend the shareholders' meeting. Shareholders attending on behalf of others must have a proxy form along with official identification available for verification. To uphold Corporate Governance standards and protect shareholder rights, the Company shall establish Registration Procedures for attending shareholder meetings and submit these procedures for approval by the Board of Directors.

For the shareholders who wish to attend the video conference shall register 2 days before the shareholders' meeting.

The company shall upload the provide our shareholders the procedure manual, annual report and meeting supplementary materials to the video conference platform 30 minutes before the shareholders' meeting until the end of the meeting.

Article 4 The participation and voting by shareholders shall be duly calculated based on the number of shares they hold. A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.

The number of shares represented by participating shareholders shall be calculated based on the attendance cards and video conference platform with the number of voting powers exercised in writing or by electronic means.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be describes in the shareholders' meeting notice. A shareholder who exercises his/her voting power at a shareholder meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person but shall be deemed to have waived his/her voting power in respective of any extemporary motion and/or the amendment to the contents of the original proposal at the said shareholders' meeting. Thus, the Company is advised to avoid proposing extemporary motion and/or the amendment to the contents of the original proposal.

If the voting rights in the preceding paragraph are exercised in written form or in electronic form, the statement of intent shall be delivered to the company 2 days before the shareholders' meeting. However, those who express their intentions before the declaration of revocation are not included to this limitation.

After shareholders exercising their voting rights in written form or electronically, shareholders who wish to attend the shareholders 'meeting by video shall notify the company in written form for the proxy cancellation 2 days before the shareholders'

meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the written form or electronic votes shall prevail. If the voting rights are exercised by written form or electronically, and also appoint a proxy to attend the meeting, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the shareholders meeting is held by video conference, it shall not be limited on the venue of the preceding paragraph.

Article 6 The shareholder meeting shall be duly chaired by the chairman if convened by the Board of Directors. In the chairman's absence or unavailability, the vice chairman shall chair the meeting on his behalf. In the event that the vice chairman is absent or unavailable as well, the chairman shall, in advance, appoint a director to act in his place. In the event that the chairman does not appoint an agent, one director shall be elected from among themselves to act in his place.

The terms of office shall more than 6 months and the person who shall be a managing director or director familiar with the operation of the company as if aforementioned chairman be a corporate director. The same shall be true for a representative of an institutional director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

In the event that the shareholder meeting is convened by a person outside the Board of Directors, the shareholder meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer.

Article 7 The staff members who take charge of the shareholder meeting affairs shall wear identification certificates or armbands.

Article 8 The Company shall record the entire process of from accepting reporting, meeting procedure so as voting process. Recorded or videotaped and shall be archived for a minimum of one year.

If the shareholders' meeting is held by video conference, the company shall record and preserve the shareholders' registration, questioning, voting, and company vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire video conference.

The materials, audio and video recordings which mentioned above shall be properly preserved by the company during the period, the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for preservation.

If the shareholders' meeting is held by video conference, the company should record the background operation interface of the video conference platform.

Article 9 The Chairman shall announce the meeting immediately after the meeting time has expired, but if no shareholders representing more than half of the total number of issued shares are present, the Chairman may announce an adjournment of the meeting for a maximum of two times, with the total time of the adjournment not exceeding one hour. If less than one-third of the total number of issued shares are still not present after the second postponement, the chairman shall declare the meeting adjourned. If the shareholders' meeting is held by video conference, the Company shall also announce the adjournment on the video conference platform of the shareholders' meeting. If there are not enough shareholders representing at least one-third of the total number of issued shares to attend the meeting after two postponements, a bogus resolution may be made in accordance with Article 175 of the Company Act, and the shareholders shall be notified of the bogus resolution to reconvene the shareholders' meeting within one month; if the shareholders' meeting is convened by video conference, shareholders who wish to attend the meeting by video shall re-register with the Company in accordance with Article 3. However, for special resolution matters stipulated by the Act, the resolution shall be made in accordance with the provisions of the Act.

If, before the conclusion of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of shares outstanding, the chairman may re-submit a fictitious resolution to the meeting for resolution in accordance with Article 174 of the Company Act.

Article 10 In the event that the shareholder meeting is convened by the Board of Directors, the agenda shall be worked out by the Board of Directors. Relevant motions (including extemporary motion and the amendment to the contents of the original proposal) shall be passed on a one agenda by one agenda basis. The shareholder meeting shall be duly convened based on the arranged agenda, which shall not be changed unless duly resolved by the shareholder meeting.

In the event that the shareholder meeting is convened by a convener beyond the Board of Directors, the provision set forth under the preceding paragraph may apply, *mutatis mutandis*.

The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting.

After a shareholder meeting is adjourned, the shareholders may not appoint another chairperson to renew that meeting at the same arena or a new arena. In the event that the chairperson announces adjournment of the meeting against the Rules Governing the Proceedings of Shareholder Meetings, however, a member of the Board may be elected by a majority of the present shareholders to act as the chairperson to reconvene the meeting.

Article 11 An attending shareholder shall issue and submit a floor note before speaking at the shareholder meeting. The floor note shall expressly describe the subject of his or her opinions and his or her shareholder account number (or the code of the participation certificate) so that the chairperson may fix the order of speaking.

A shareholder who has submitted a floor note but does not speak is deemed to have not taken the floor. In the event that the actual contents of the shareholder's statement are found inconsistent with the entries of the floor note, the shareholder's spoken statement shall prevail.

While an attending shareholder is taking the floor, other shareholder(s) shall not interrupt or interfere with the current floor unless agreed upon by the chairperson and the speaking shareholder. The chairperson shall stop an offender.

Article 12 Shareholders' questions on the agenda should be addressed only after all the items have been read out or reported by the chairman or his or her designee.

Each shareholder may not speak more than twice on the same motion without the consent of the chairman, and each speech may not exceed three minutes.

The time and number of speeches by shareholders on each motion for recognition and discussion of the items listed on the agenda and on each motion proposed in the provisional motion procedure shall be subject to the latter part of the preceding paragraph.

The time and number of speeches of shareholders on each motion not on the provisional agenda shall be as provided in the latter part of the first paragraph.

If a shareholder speaks in violation of the regulations or exceeds the scope of the topic, the chairman may stop him/her from speaking.

If a shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the meeting and before the meeting is adjourned, and the number of questions shall not exceed two for each motion, and each time shall be limited to 200 words, without applying the provisions of Articles 11, 13(2) and 1 to 4 of this Article.

If the previous questions do not violate the regulations or are within the scope of the motion, it is appropriate to disclose the questions on the video conference platform of the shareholders' meeting for public information.

Article 13 In the event that a juristic (corporate) person is entrusted to participate in a shareholder meeting, that juristic (corporate) person may appoint only one representative to participate in the meeting.

In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.

Article 14 After a shareholder speaks on the floor; the chairperson may answer either by himself or herself or through a designee.

Article 15 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; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.

Article 16 The chairman of the board of directors shall designate the person(s) to monitor and count the votes for the motion. However, the scrutineer shall be a shareholder.

Unless otherwise provided by law or the Company's Articles of Incorporation, a motion shall be approved by a majority of the votes of the shareholders present. In the event of a vote, the chairman or his or her designee shall announce the total number of votes of the shareholders present on a case-by-case basis, and then the shareholders shall vote on the motion on a case-by-case basis, and the results of the shareholders' approval, disapproval and abstention shall be entered into the Market Observation Post System on the day after the shareholders' meeting.

The vote counting operation for the shareholders' meeting, or the election proposal shall be conducted in an open place at the shareholders' meeting, and the voting results, including the number of votes counted, shall be announced and recorded on the spot after the vote counting is completed.

When the shareholders' meeting is convened by video conference, the shareholders participating by video shall vote on the motions and the election motions through the video conference platform after the chairman announces the opening of the meeting and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed as abstention.

If a shareholders' meeting is convened by video conference, except for special reasons as directed by the chairman, the vote shall be counted, and the voting and election results announced as a one-time event after the chairman announces the close of voting.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 3 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video only.

If a shareholder exercises his or her voting rights in writing or electronically and does not revoke his or her intention to attend the shareholders' meeting by video, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on the amendments to the original motion, except for a temporary motion.

The minutes of the shareholders' meeting shall be prepared, signed, or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The minutes may be prepared and distributed electronically.

The minutes may be distributed by means of an announcement entered into the Market Observation Post System.

The Company shall record the year, month, day, place, name of the chairman, method of resolution, main points of the proceedings, and voting results (including the number of votes) of the meeting and shall disclose the number of votes received by each candidate in the event of an election of directors. The minutes shall be kept permanently for the duration of the Company's existence.

If a shareholders' meeting is held by video conference, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is held, the names of the chairman and the minutes, and the manner and circumstances in which the video conference platform or video participation is impaired due to natural disasters, events or other force majeure circumstances.

In addition to the aforementioned provisions, the Company shall also set forth in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means.

Article 17 In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

Article 18 During the process of the meeting, the chairperson may announce a recess at an appropriate time. Upon occurrence of force majeure, if any, the chairperson may rule that the meeting be temporarily suspended and announce the time to resume the meeting as the actual situation may justify. Or the shareholder meeting may resolve a decision to postpone or resume the meeting without a notice within five days, in accordance with Article 182 of the Company Law.

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.

Article 19 All present shareholders are obliged to comply with the Rules Governing the Proceedings of Shareholder Meetings, comply with decisions resolved and maintain sound order of the arena of the meeting.

In the event that a shareholder violates the Rules Governing the Proceedings of Shareholder Meetings, defies the chairperson's rectification or obstructs progress of the meeting or objects to the action to stop him or her, the chairperson may instruct the rectification (or security) personnel to help maintain order of the meeting.

The rectification (or security) personnel who maintain order of the meeting site shall wear the "rectification officer" arm band or identification certificate or wear security personnel uniforms.

Article 20 For the number of shares acquired by the solicitor, the number of shares represented by a proxy and the number of shares attended by shareholders in writing or electronically, on the day of the shareholders meeting, the company or its shareholder services agent shall compile a statistical statement of the number of shares obtained by the solicitor and shall make an express disclosure of the same at the site of the shareholders meeting. In the event of a virtual shareholders meeting, the Company shall upload the abovementioned statistical statement of the number of proxy shares to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 21 When the shareholders' meeting is held by video conference, the following matters shall be stated in the notice of convening the shareholders' meeting:

- I. Shareholders' participation in video conferences and methods for exercising their rights.
- II. Due to natural disasters, incidents or other force majeure circumstances, the handling of obstacles to the video conference platform or participating in video conferences should include at least the following:
 - (1) The obstacles cannot be ruled out as to the meeting needs to be adjourned or resumed, and if the meeting needs to be postponed or resumed.
 - (2) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed of the meeting.
 - (3) To hold a video-assisted shareholders meeting, if the video conference cannot be resumed, 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 resume. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) If all the motions have been declared results, but no provisional motion has been made, the handling method.
- III. To hold a video-conference shareholders meeting and to specify appropriate alternatives for shareholders who would have difficulty participating in a video conference.

Article 22 In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 23 When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 24 In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 25 When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online.

Article 26 The regulation will be implemented after the approval by the shareholder's meeting. The same shall apply to the amendment.

China Petrochemical Development Corporation

Registration Procedures for Attending Shareholder Meetings

Duly established on March 28, 2013

- Article 1 (Purpose)
- These procedures are established to ensure smoothness of the shareholders' meeting and protect shareholders' rights and implement corporate governance practices.
- Article 2 (Basis for Establishment)
- The procedure is enacted based on the sample template for the "Rules of Procedure for Shareholders Meetings" issued by Financial Supervisory Commission (FSC) regulatory decree number 1020002909 issued on February 26, 2013 and Taiwan Stock Exchange reference number 1020003468 issued on February 27, 2013.
- Article 3 (Reporting-in Times)
- The company's stock transfer unit handles shareholder check in, when deciding the place, related people and equipment the company should be objective. The company should announce the time of the shareholders' meeting. In addition, the company should allow shareholders to check in 60 minutes before the meeting starts.
- Article 4 (Video Recording and Surveillance)
- The Company shall video record the complete check-in process. After checking identification of the attending shareholder, the company should quickly complete documentation and complete the check-in process and allow the shareholder to participate in the shareholder meeting.
- If the check-in process is not completed as indicated in article 7, then additional back-up personnel should be available to assist and not hold up the check-in process for other shareholders.
- If a delay occurs, personnel should calmly explain and persuade the affected shareholder and keep order as to avoid situations that may impact shareholder rights. If needed, personnel should inform officers of the law and allow law enforcement to assist in maintaining order.
- Article 5 (Check-in Equipment and Personnel)
- Shareholders meeting check-in team are in charge of the following:
- Equipment required: 3 computers, 2 printers, 3 back-up computers and 1 printer.
- Check-in counter:
- Team 1: Reissue of shareholders' meeting notice and other related material (memorabilia). The team is also responsible for shareholders who will not participate in the meeting but will like to have related materials and memorabilia.
- Team 2: and Team 3: Shareholder check-in. Check meeting notice and stamp original seal or check signature matched with identification (identification card, driver's license, National Health Insurance card, or other government identification).

After check-in, provide meeting notice, votes, attendance card, statement slip, memorabilia and meeting related material (Shareholders' hand book and annual report)

Article 6 (Staff Requirement)

During check-in there should be enough staff. Staff should be given training. At least three people should have the following requirements:

1. Three years' experience in shareholder services
2. Certified (Senior) Securities Specialist.
3. Passed examination by the competent authority on shareholder service.

Article 7 (Check-in Time)

Expect for special cases (For example, a request to split vote by foreign institutional investors), the check-in process for each shareholder should be less than 1.5 minutes, if process is not completed within 1.5 minutes, Monitor team should immediately provide support and understand the situation.

Monitor Team: one to two team members, monitor check-in and deal with unexpected situations.

Guide Team: one to two team members, guide shareholders to the check-in counter and to their seat after check-in.

Data Team: one to two team members, report latest attendance statistics to the chairman, meeting unit and master of ceremonies.

Article 8 (Information disclosure)

Before the start of the shareholder meeting, the data team should provide the latest attendance statistics to the meeting secretary, Chairman, and Master of Ceremonies at least 3 minutes before the start of the meeting.

To comply with articles 12 and 13 of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies", the Company should prepare and present attendance statistics at the start of the meeting.

Article 9 (Post-Meeting Evaluation)

After the conclusion of the shareholders' meeting, the shareholder check-in situation should be reported the Board of Directors, if there are any mistakes an improvement report should be submitted.

Article 10 These Rules and any amendments hereto, shall be implemented after adoption by the Board of Directors.

Appendix 5

Shareholdings of the Company's Directors

(As of March 17, 2025)

Title	Account Number	Name	Name of Representative	Number of Shares	% of Shareholding
Chairman	158659	Core Pacific Co., Ltd.	Ruey-Long Chen	53,980,916	1.43%
Vice Chairman	848471	Yao Chuen Co., Ltd.	Hui-Ting Shen	448,708	0.01%
Independent Director		Lian-Sheng Tsai		0	0
Independent Director		Mei-Ling Chen		0	0
Independent Director		Chia-Yu Chiu		0	0
Independent Director		Yuan-San Lu		0	0
Director	166505	BES Engineering Corporation	Jiun-Nan Bai	183,037,540	4.84%
Director	101177	C.P. Leasing Co., Ltd.	Kueng-Ming Lin	2,100,516	0.06%
Director	101204	Jen Huei Enterprise Co., Ltd.	Shaw-Shin Yang	21,797,310	0.58%
Number of shares held by all directors				261,364,990	6.91%

Note 1: Ownership ratios were calculated based on the total number of the Company's outstanding shares 3,784,850,130 shares.

Note 2: As required under Article 26 of the Securities and Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all directors of the Company shall hold a minimum of 90,836,403 shares. As CPDC has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.

Note 3: Total number of shares held by all directors meets the minimum shareholding requirement.